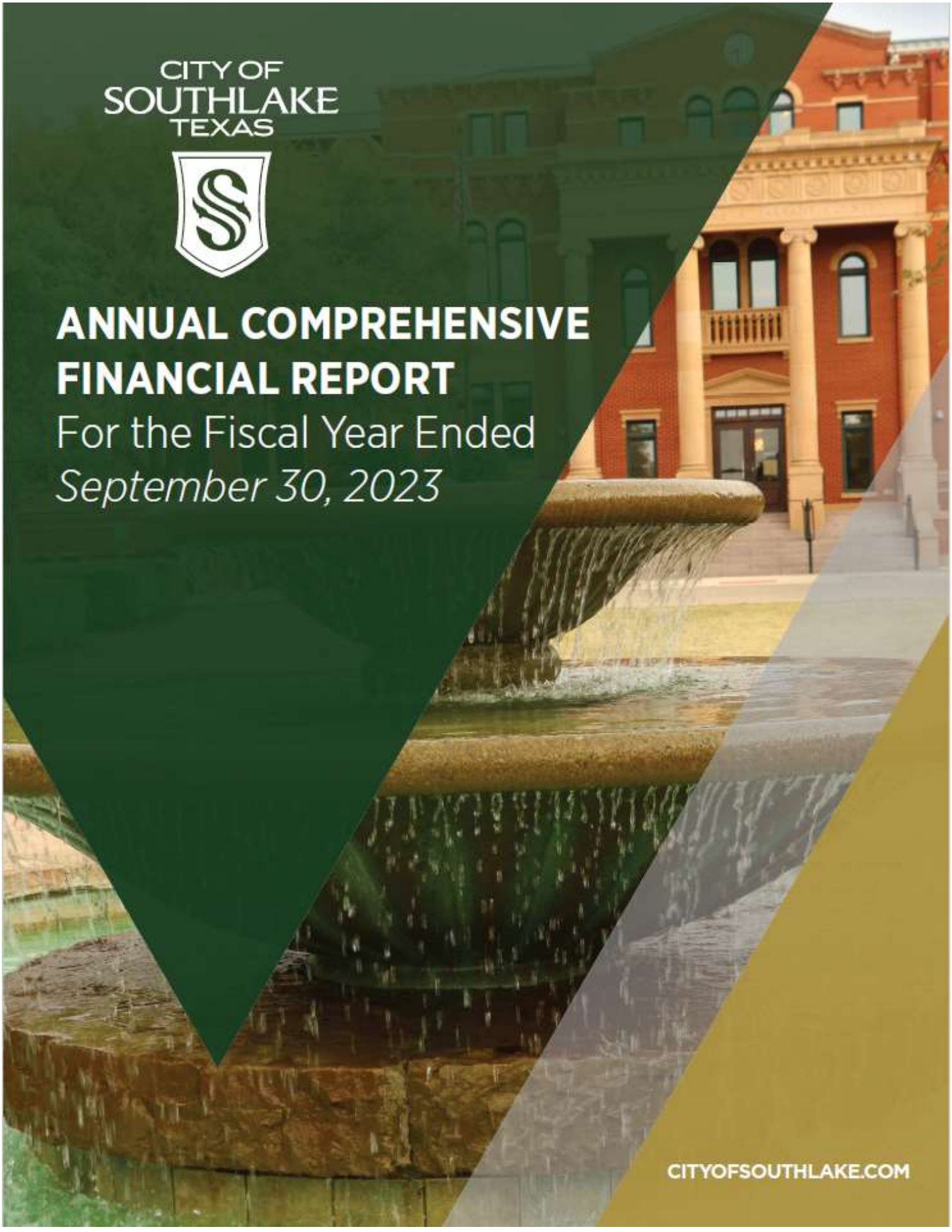

CITY OF SOUTHLAKE TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended

September 30, 2023

CITYOFSOUTHLAKE.COM

City of Southlake, Texas

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2023

As Prepared by

Sharen Jackson, CPA

Chief Financial Officer

City of Southlake

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2023
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City of Southlake

Annual Comprehensive Financial Report
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Introductory Section

CITY OF
SOUTHLAKE

Finance Department

March 14, 2024

To the Honorable Mayor, Councilmembers and Citizens of the City of Southlake, Texas:

It is with pleasure that we submit to you the Annual Comprehensive Financial Report (ACFR) of the City of Southlake for the fiscal year ended September 30, 2023. This report was prepared by the Finance Department in accordance with the Southlake Charter, Statutes and generally accepted accounting principles for governments. In addition to meeting legal requirements, this report reflects the City's commitment to full financial disclosure. We encourage you to thoroughly read this report and take the opportunity to discuss some of the important items it addresses.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. We believe that the City's current system of internal controls adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the data, as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Weaver & Tidwell, LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on the City's financial statements for the fiscal year ended September 30, 2023. The Independent Auditor's Report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and the two should be read in conjunction with each other.

PROFILE OF THE GOVERNMENT

General Information

Although Southlake has been a high-growth community for years, when the first settlers arrived in 1845 they found only a vast area of land and trees where the grand prairie and cross timbers merged. As the site of the first permanent settlement in Tarrant County, a portion of present-day Southlake was homesteaded in 1866, which consisted of 360 acres. Keeping with the time, the primary industry was agriculture. Farmers grew peanuts, grains and cotton, and families raised their own livestock.

The area that would become Southlake remained a rural farming community for more than 100 years until the U.S. Army Corps of Engineers built Lake Grapevine in 1952. The lake spurred much of the area's early growth and was the beginning of dramatic change. The town officially incorporated on September 25, 1956, by a public vote of 30 in favor and 24 against. The original town contained 1.62 square miles and had a population of just over 100. The residents chose to call this new town Southlake because it was… south of Lake Grapevine! The Southlake Fire Department was launched in 1965 and the first piece of fire equipment was a 1950 Diamond T-Military unit with a tank capacity of 1,000 gallons and an auxiliary pump. The first chief of police was hired in 1966, and the City purchased its first patrol car in 1967.

The opening of the Dallas-Fort Worth International Airport in 1974 served as the next catalyst of growth in the area and Southlake residents adopted a home-rule charter in April 1987, which created the current council-manager form of government with six Council Members and a Mayor who are elected at large on a non-partisan basis for staggered three-year terms. But the single most important event in bringing residential subdivision development to Southlake was the completion of water and sewer lines in the southern portion of the City in the early 1990s.

By the 2000s, Southlake had become a boom-burb with the population tripling to almost 22,000 and was well known for its picturesque countryside, exemplary school district and luxury neighborhoods. Today, the City's population stands at just under 31,300 and is estimated to reach 34,000 residents by the year 2050.

Since that time, much like the area's first settlers were attracted to the area with its endless possibilities, Southlake has continued to attract the suburban settler desiring a high quality of life and the small-town charm that has been preserved from Southlake's past.

Services Provided

Services provided by the City under general governmental functions include public events, public safety, planning and development, engineering, street and storm drainage maintenance, parks operation and maintenance, recreation programming and facilities, library services, and general administrative services. The City does not provide educational or welfare services.

Water and sewer services and solid waste collection are provided under an enterprise fund concept, with user charges set by the City Council to ensure adequate coverage of operating expenses and payments of outstanding debt.

Component Units

The financial reporting entity includes all the funds of the primary government, as well as all its component units in accordance with GASB *Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Reporting Entity."* Component units are legally separate entities for which the primary government is financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the City's basic financial statements to be misleading or incomplete.

The City's financial statements include the following blended component units:

The Southlake Parks Development Corporation ("SPDC") was formed in January 1994 pursuant to a successful election in November 1993 to adopt an additional half-cent sales tax for park and recreation facility development. SPDC is organized exclusively to act on behalf of the City for the financing, development and operation of parks and recreation facilities.

Also, included in this report is financial information for the Southlake Crime Control and Prevention District (the "District"). In November 1997, voters approved an additional half-cent sales tax for Crime Control and Prevention initiatives. The District is organized exclusively to act on behalf of the City for the financing, development and crime control throughout the City.

In May 2015, Southlake voters overwhelmingly approved the reallocation of a portion of the District half-cent sales tax for the purpose of constructing and operating a recreation center through the Southlake Community Enhancement and Development Corporation ("CEDC"). The District's half-cent sales tax was reduced to a one-eighth cent tax, and the remaining three-eighths was reallocated to address recreational and economic development needs for the City, as permitted by State law, through CEDC.

Also, included in this report is financial information for the Tax Increment Financing District (the "TIF") which was created in 1997 to encourage quality commercial growth. The TIF was formed to finance and make public improvements, under the authority of the Tax Increment Financing Act.

Additional information on these legally separate entities can be found in the notes to the financial statements (see Note 1).

ECONOMIC CONDITION AND OUTLOOK

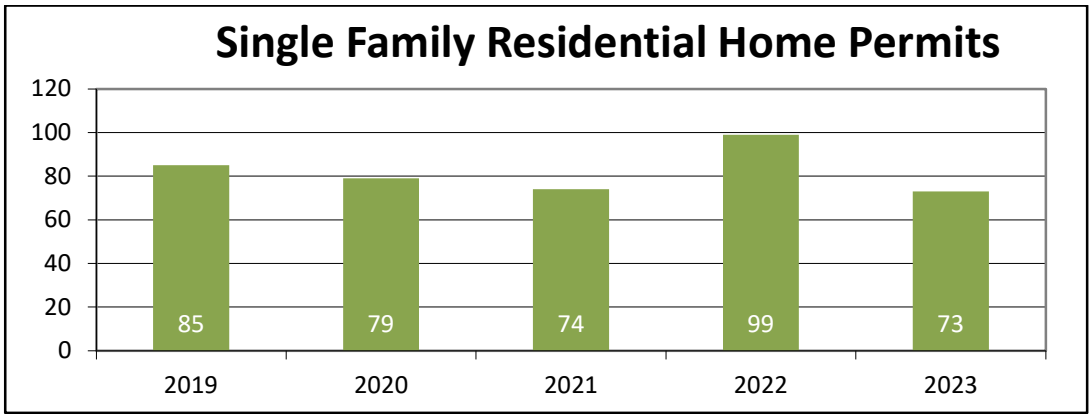
The City is in a prime location in Northeast Tarrant County, 5 minutes west of Dallas/Fort Worth International Airport, and 10 minutes east of the Alliance Airport, a commercial aviation and industrial complex in north Fort Worth. State Highway 114, FM 1709, and FM 1938, the regional road arterials, serve the City.

Over 2,600 businesses, including 77 new businesses for FY 2023, from many industries including professional, scientific, and technical services, healthcare and social services, hospitality, retail, and banking and financial services have come together to make Southlake a full-service business community.

Sabre, home of Travelocity.com, is the City's largest employer with approximately 2,000 employees and Verizon Wireless' Network Control Center takes advantage of high-tech infrastructure to manage all wireless communications west of the Mississippi River from its Southlake location.

Housing Permits

There were 73 single family residential permits issued in fiscal year 2023 with an average new home construction value, excluding land value, of approximately $1,425,000. As noted on the chart below, the City experienced a decrease in residential home construction.



Property Taxes

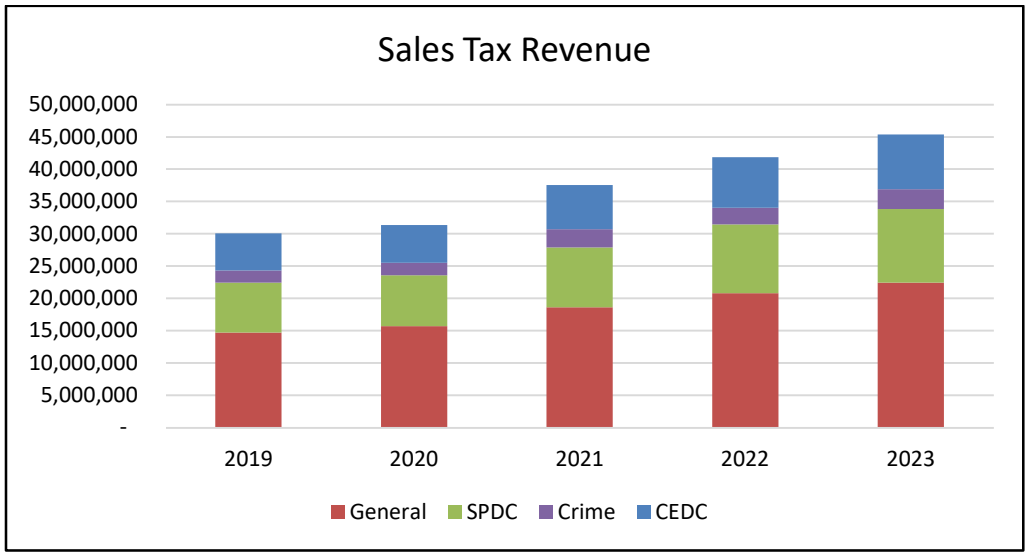
Total certified taxable value for commercial and residential property was $9.065 billion, an increase of $844 million and a 10.3 percent increase from the prior year. New construction added $129 million to the tax roll.

As the City's economy has grown, it has been possible to implement twelve tax relief measures since 2009. The City has provided for maximum homestead exemption relief for homeowners for many years and is including the maximum allowable 20% exemption for FY 2023.

In FY 2023, the City incorporated a tax rate of $0.36 per $100 valuation, reducing the rate by three cents from operations. The tax rate of $0.36 is split between General Fund operations and debt service. The allocation for FY 2023 is $0.295 for general operations and $0.065 for debt service.

Sales Taxes

The City of Southlake experienced an increase in sales tax collections during the fiscal year as indicated on the chart. Sales tax collections totaled $45,369,619 in FY 2023, an 8.36% increase from the previous year.



Future Economic Outlook

The City's dedication to quality development, sound fiscal policies, and effective strategic management has made it an exemplary community in the Dallas-Fort Worth region. With impeccably built neighborhoods, a successful downtown, and a diverse business community, the City offers an enhanced quality of life for both residents and visitors.

During 2023, 19 new construction commercial permits were issued by the City representing over 462,008 square feet of future retail/office space. The following projects have been approved for development in the City:

- The Constellation Southlake development will include four (4) large warehouse buildings totaling approx. 546,330 sq. ft.
- The Wheelhouse will include two (2) single-story buildings totaling approx. 19,461 sq. ft. for office showroom with retail sales and automobile and motorcycle sales and/or service uses. Additionally, The Wheelhouse will include three (3) single-story buildings totaling approx. 47,629 sq. ft.

The City has the following development projects under construction:

- Next Century Health Care Plaza will include six (6) single-story medical office buildings totaling approx. 50,000 sq. ft.
- Carillon Parc is a 42-acre mixed-use development featuring a luxury boutique hotel, office spaces, upscale residences, advanced health and wellness offerings, dining, and luxury shopping as well as an expansive park.
- Mustang Business Park will include three (3) distribution warehouse buildings totaling approx. 340,180 sq. ft. on approx. 26.27 acres.
- Capital Grille plans to open an approx. 9,447 sq. ft. restaurant within an existing building in the development on 7.25 acres.

During FY 2023, the following significant projects were completed which will have impact the local economy going forward:

- Southlake Town Square's second Class-A office building opened in FY 2023. The new five-story, 151,000 square-foot office building was built adjacent to the existing Granite Place One building that opened in 2016.
- The XO Marriage Center will include a three-story, approx. 32,190 sq. ft. building with office, assembly, and studio uses.
- GMI Southlake will include 3 flex light industrial/corporate office buildings totaling approx. 58,780 sq. ft.
- Methodist Southlake Hospital Emergency Department expansion will include a one-story, approximately 6,000 sq. ft. addition to the existing hospital building to provide new nuclear medicine facilities.

Financial Management Principles

The City has strong financial management principles that provide the framework for financial sustainability.

- Tax rate management. The tax rate is allocated properly between maintenance /operations and debt service.
- Structural balance. The City's ability to weather potential economic downturns or other financial challenges is critical. The City does not use reserves to balance the operating budget.
- Reserve management. The City's fund balance policy requires a minimum 15% and optimum 25% balance. The City uses "excess" reserves as a means to fund one-time, "pay-as-you-go" projects.
- Multi-year financial plan.The long-term effect of today's decisions on tomorrow's financial situation is an important consideration during the budget process.
- Quality service delivery. The City is committed to meeting the needs of our community through high quality service delivery.
- Risk management. The City supports ongoing initiatives to safeguard the public trust by internal audits and other initiatives to maintain a strong control environment.

OTHER INFORMATION

Independent Audit

The City Charter requires an annual audit of the financial status of the City by independent Certified Public Accountants selected by the City Council. This requirement has been met and the auditor's report has been included in this report.

Awards

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards.

Such Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Southlake received a Certificate of Achievement for the year ended September 30, 2022, and believes our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

In addition, the City also received the GFOA's Distinguished Budget Presentation award for its annual budget dated October 1, 2022. To qualify for this award, the City's budget document was judged to be proficient in all categories, including as a policy document, a financial plan, and operations guide, and a communications device.

<u>Acknowledgments</u>

The preparation of this report could not be accomplished without the dedication and efficiency of the entire staff and our independent auditor. I would like to express my sincere appreciation to all employees who contributed to its preparation. I would also like to thank the Mayor and members of the City Council for their support in planning and conducting the financial operations of the City in a responsible and efficient manner.

Respectfully submitted,

Sharen Jackson

Sharen Jackson
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

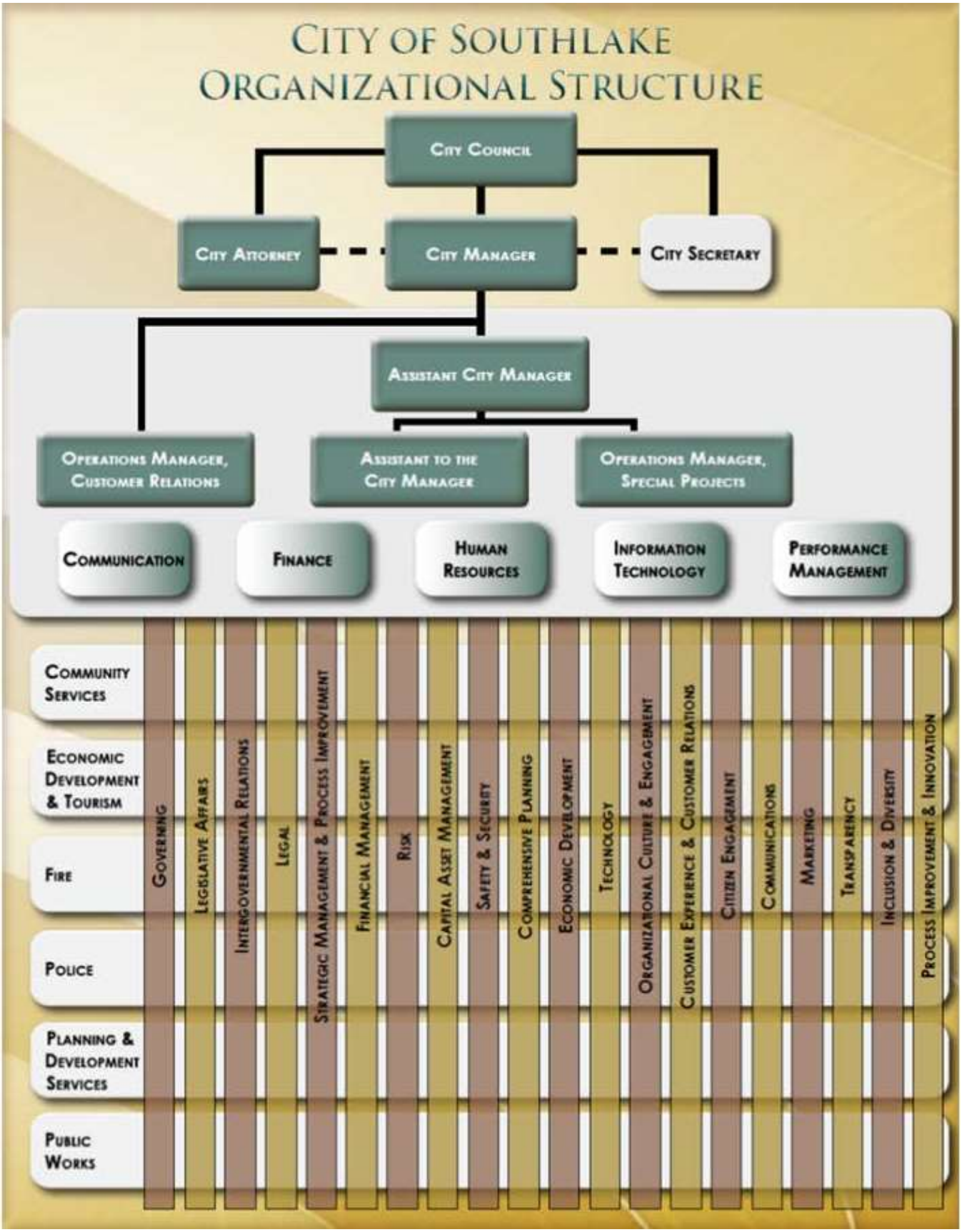
City of Southlake
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO


CITY OF SOUTHLAKE
ORGANIZATIONAL STRUCTURE
CITY COUNCIL
CITY ATTORNEY
CITY MANAGER
CITY SECRETARY
ASSISTANT CITY MANAGER
OPERATIONS MANAGER, CUSTOMER RELATIONS
ASSISTANT TO THE CITY MANAGER
OPERATIONS MANAGER, SPECIAL PROJECTS
COMMUNICATION
FINANCE
HUMAN RESOURCES
INFORMATION TECHNOLOGY
PERFORMANCE MANAGEMENT
COMMUNITY SERVICES
ECONOMIC DEVELOPMENT & TOURISM
FIRE
POLICE
PLANNING & DEVELOPMENT SERVICES
PUBLIC WORKS
GOVERNING
LEGISLATIVE AFFAIRS
INTERGOVERNMENTAL RELATIONS
LEGAL
STRATEGIC MANAGEMENT & PROCESS IMPROVEMENT
FINANCIAL MANAGEMENT
RISK
CAPITAL ASSET MANAGEMENT
SAFETY & SECURITY
COMPREHENSIVE PLANNING
ECONOMIC DEVELOPMENT
TECHNOLOGY
ORGANIZATIONAL CULTURE & ENGAGEMENT
CUSTOMER EXPERIENCE & CUSTOMER RELATIONS
CITIZEN ENGAGEMENT
COMMUNICATIONS
MARKETING
TRANSPARENCY
INCLUSION & DIVERSITY
PROCESS IMPROVEMENT & INNOVATION

City of Southlake, Texas

List of Principal Officials

September 30, 2023

John Huffman	Mayor
Shawn McCaskill	Mayor Pro Tem
Kathy Talley	Deputy Mayor Pro Tem
Randy Williamson	Council Member
Randy Robbins	Council Member
Ronell Smith	Council Member
Amy Torres-Lepp	Council Member
Alison Ortowski	City Manager
Amy Shelley	City Secretary
Sharen Jackson	Chief Financial Officer
Daniel Cortez	Director of Economic Development/Tourism
Robert Cohen	Director of Public Works
David Miller	Director of Community Services
Stacey Black	Director of Human Resources
Dennis Killough	Director of Planning/Development
Pilar Schank	Director of Communications
Blair Halbert	Director of Information Technology
James Brandon	Police Chief
Michael Starr	Fire Chief

Financial Section

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Independent Auditor's Report

To the Honorable Mayor and Members of
City Council and Management of the
City of Southlake, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Southlake, Texas (City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements.* Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Honorable Mayor and Members of
City Council and Management of the
City of Southlake, Texas

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Nonmajor Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements and Schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2024 our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 14, 2024

Management's Discussion and Analysis

Management's Discussion and Analysis

The City of Southlake's Management's Discussion and Analysis (MD&A) is designed to provide an objective and easy to read analysis of the City's financial activities based on currently known facts, decisions, and conditions. It is intended to provide a broad overview and short-term analysis of the City's activities based on information presented in the financial statements. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), identify material deviations from the approved budget, and identify individual fund issues.

The City presents its financial statements in accordance with the reporting model required by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments.* This reporting model significantly changes not only the presentation of financial data, but also the manner in which the information is recorded.

The information contained within this MD&A is only a component of the entire financial statement report. Readers should consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v-x of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Southlake exceeded its liabilities and deferred inflows of resources at September 30, 2023 by $784,978,302 (net position). Of this amount, $128,848,839 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- The City's total net position increased by $45,174,116. This increase can be largely attributed to a rise in sales tax revenue and investment income.

- As of September 30, 2023, the City's governmental funds reported combined ending fund balances of $200,115,933. Of this amount, $54,317 is reported as nonspendable, $121,781,095 is restricted by an outside source, $1,658,817 is committed for future uses, $59,027,095 is assigned by management for specified purposes, and $17,594,609 is available for spending at the government's discretion (unassigned fund balance).

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $17,594,609 or 32.2% of total General Fund expenditures.

- At the end of the current fiscal year, the City of Southlake outstanding debt totals $129,081,119 a net increase of $20,195,737 from the previous year. This increase was largely the result of significant differences between projected and actual investment earnings with the City's pension plan and the issuance of tax notes during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The reporting focus is on the City as a whole and on individual major funds. It is intended to present a more comprehensive view of the City's financial activities.

The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Both are prepared using the economic resources measurement focus and the accrual basis of accounting; meaning that all the current year's revenues and expenses are included regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, including capital assets and long-term obligations. The difference between the two is reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other indicators of the City's financial position should be taken into consideration, such as the change in the City's property tax base and condition of the City's infrastructure (i.e., roads, drainage systems, water and sewer lines, etc.), in order to more accurately assess the overall financial condition of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. It focuses on both the gross and net costs of the government's various activities and thus summarizes the cost of providing specific government services. This statement includes all current year revenues and expenses.

The Statement of Net Position and the Statement of Activities divide the City's activities into two types:

Governmental activities - Most of the City's basic services are reported here, including general administration, debt services, public safety, public works, parks and community services, public library, public events and facilities, planning and development and finance. Property, sales and franchise taxes provide the majority of the financing for these activities.

Business-Type activities - Activities for which the City charges a fee to customers to pay most or all of the costs of a service it provides are reported here. The City's business-type activities include water distribution, wastewater collection and solid waste collection and disposal.

The government-wide financial statements are found on pages 23-24 of this report.

FUND FINANCIAL STATEMENTS

The City of Southlake, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. These statements focus on the most significant funds and may be used to find more detailed information about the City's most significant activities. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds- These funds are used to account for the majority of the City's activities, which are essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as spendable resources available at the end of the fiscal year for future spending. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of the governmental funds financial statements is narrower than that of the government-wide financial statements. Therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provided a reconciliation to facilitate this comparison. The reconciliation explains the differences between the government's activities as reported in the government-wide financial statements and the information presented in the governmental funds financial statements.

The City maintains 26 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, General Obligation Debt Service Fund, General Capital Projects Fund, Southlake Parks Development Corporation, and Community Enhancement Development Corporation Special Revenue Fund, all of which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental funds financial statements can be found on pages 28-24 of this report.

Proprietary Funds - When the City charges customers for services it provides, the activities are generally reported in proprietary funds. The City of Southlake maintains two different types of proprietary funds: enterprise and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations and solid waste. These services are primarily provided to outside or non-governmental customers.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for vehicle and equipment replacement. Because these services predominantly benefit the governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements can be found on pages 37-39 of this report.

Fiduciary funds – the City presents one trust fund, the Southlake OPEB Liability Trust Fund, which accounts for the funding of post-employment healthcare benefits for retirees of the City and their dependents. The financial statements for the fiduciary funds can be found on pages 43-44 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The Notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 47-87 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of the City's financial position. As of September 30, 2023, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $784,978,302 (net position), at the close of the most recent fiscal year.

The largest portion of the City's net position, $525,807,105, reflects its investment in capital assets (land and improvements, building, infrastructure, machinery and equipment, and right-to-use assets net of accumulated depreciation and amortization); less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental Activities net position increased by $32,727,308. This can be largely attributed to higher levels of sales tax revenues and interest income received by the City which were due to sharp inclines in inflation and higher interest rates.

Business-type Activities net position increased by $12,446,808. The majority of this change can be attributed to a continued increase in demand for water as the region experienced significantly less rainfall than average for FY 2023 and record high temperatures. This change can also be attributed to Interest and investment earnings which increased by over $2.5 million, with rising interest rates.

The following analysis highlights the net position as of September 30, 2023 and 2022:

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 228,001,169	$ 190,955,229	$ 79,307,211	$ 69,996,562	$ 307,308,380	$ 260,951,791
Capital assets	516,100,285	508,388,715	98,690,072	97,474,702	614,790,357	605,863,417
Total assets	744,101,454	699,343,944	177,997,283	167,471,264	922,098,737	866,815,208
Deferred outflows of resources	13,228,194	4,961,219	1,081,723	580,775	13,995,534	5,541,994
Long-term liabilities	101,619,386	79,872,374	27,461,733	29,013,008	129,081,119	108,885,382
Other liabilities	14,759,356	9,782,068	5,304,624	4,646,604	20,063,980	14,428,672
Total liabilities	116,378,742	89,654,442	32,766,357	33,659,612	149,145,099	123,314,054
Deferred inflows of resources	1,975,158	8,402,281	310,095	836,681	1,970,870	9,238,962
Net position:						
Net investment in capital assets	450,639,461	444,246,656	75,167,644	77,774,937	525,807,105	522,021,593
Restricted	121,858,264	99,360,585	8,464,094	9,877,167	130,322,358	109,237,752
Unrestricted	66,478,023	62,641,199	62,370,816	45,903,642	128,848,839	108,544,841
Total net position	$ 638,975,748	$ 606,248,440	$ 146,002,554	$ 133,555,746	$ 784,978,302	$ 739,804,186

The following analysis highlights the changes in net position for the year ended September 30, 2023 and 2022:

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	$ 11,629,939	$ 11,524,968	$ 37,630,965	$ 37,241,976	$ 49,260,904	$ 48,766,944
Operating grants and contributions	825,770	8,736,294	-	-	825,770	8,736,294
Capital grants and contributions	2,382,770	2,653,556	2,064,296	1,376,002	4,447,066	4,029,558
General revenues:						
Taxes	93,889,807	88,105,225	-	-	93,889,807	88,105,225
Investment earnings	7,934,301	(475,934)	2,594,308	(171,020)	10,528,609	(646,954)
Miscellaneous	512,725	804,354	-	-	398,399	804,354
Gain on sale of capital assets	4,156	-	-	-	4,156	-
Total revenues	117,179,468	111,348,463	42,289,569	38,446,958	159,354,711	149,795,421
Expenses:						
General government	19,837,190	20,685,238	-	-	19,837,190	20,685,238
Public safety	26,658,917	24,915,801	-	-	26,658,917	24,915,801
Public works	12,108,564	10,111,585	-	-	12,108,564	10,111,585
Culture and recreation	25,112,091	16,970,272	-	-	24,997,765	16,970,272
Interest on long-term debt	2,071,867	1,979,546	-	-	2,071,867	1,979,546
Water and sewer	-	-	28,506,292	28,397,036	28,506,292	28,397,036
Total expenses	85,788,629	74,662,442	28,506,292	28,397,036	114,180,595	103,059,478
Increases in net position before transfers	31,390,839	36,686,021	13,783,277	10,049,922	45,174,116	46,735,943
Transfers	1,336,469	1,360,830	(1,336,469)	(1,360,830)	-	-
Change in net position	32,727,308	38,046,851	12,446,808	8,689,092	45,174,116	46,735,943
Net position, beginning	606,248,440	567,799,031	133,555,746	124,866,654	739,804,186	692,665,685
Change in accounting principle	-	402,558	-	-	-	402,558
Net position, beginning, as restated	606,248,440	568,201,589	133,555,746	124,866,654	739,804,186	693,068,243
Net position, ending	$ 638,975,748	$ 606,248,440	$ 146,002,554	$ 133,555,746	$ 784,978,302	$ 739,804,186

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

Governmental Funds - The focus of the City of Southlake's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of $200,115,933. Approximately 8.8% or $17,594,609 constitutes unassigned fund balance, which is available for spending at the government's discretion. Other portions of the fund balance are either nonspendable, restricted, committed or assigned to indicate that it is (1) not in spendable form, $54,317; (2) restricted for particular purposes, $121,781,095; (3) committed for particular purposes, $1,658,817; or (4) assigned for particular purposes, $59,027,095.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $17,594,609. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned General Fund fund balance represents 32.2% of total General Fund expenditures, while total General Fund fund balance represents 89.7 % of total General Fund expenditures.

The fund balance of the General Fund decreased $143,958 during the current fiscal year. This net decrease was the result of several factors including (1) sales tax revenues increased by over $1.7 million due to inflation spikes, and increases in interest rates amplified investment income by over $2.2 million from FY 2022, both of which contributed to an increase in overall revenues of $3,662,306 in the General Fund; (2) police and fire services saw a significant increase in expenditures of over $9.2 million, as over $8 million of public safety related costs were allocated back to the General Fund in FY 2023 after being funded by the ARPA grant in the prior fiscal year; and (3) subscriptions are reported for the first time in FY 2023 as the City implemented GASB Statement No. 96. This in conjunction with the reporting of leases in accordance with GASB Statement No. 87 resulted in a significant increase in principal and interest expenditures being reported in the General Fund.

The General Obligation Debt Service Fund has a fund balance of $2,993,263, all of which is restricted for the payment of debt service. The fund balance decreased during the year by $294,133. This decrease was expected as reserves, property tax collections, and future debt service requirements are all considered in the determination of tax rates and the budget of the General Obligation Debt Service Fund.

The fund balance in the General Capital Projects Funds ended the year at $62,405,360, an increase of $16,566,936. This increase can be attributed to the issuance of $13,397,000 of tax notes and interfund transfers of $9,545,000. Interest and investment earnings also increased in this fund for FY 2023 by over $2.4 million because of rising interest rates. These inflows of resources were made available to fund various capital projects for the City.

The Southlake Parks Development Corporation Special Revenue fund balance increased by $232,387 primarily due to increases in sales tax revenue of $815,180. As previously noted, this sales tax revenue increase was due to higher inflation. Transfers out of the Southlake Parks Development Corporation Special Revenue Fund increased by almost $2.5 million for the current year to fund debt service obligations and planned capital projects.

The Community Enhancement Development Corporation Special Revenue Fund balance increased $4,103,574. This increase was due to increased sales taxes and charges for services revenues related to record memberships, program attendance, and event rentals at The Marq, Southlake's state-of-the-art fitness and aquatics facility and event venue.

FINANCIAL ANALYSIS OF THE PROPRIETARY FUNDS

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position reported in the Proprietary Funds included $62,370,816 in the Water and Sewer Fund and $11,708,552 in the Vehicle and Equipment Replacement Fund. Total net position in the Water and Sewer Fund increased by $12,446,808 while the Vehicle and Equipment Replacement Fund net position increased by $2,523,748. Continued increases in demand for water due to significantly lower than average rainfall and record heat is the primary reason for the respective change in the Water and Sewer Fund net position. Transfers to fund vehicle and equipment purchases of $3.2 million, net of depreciation, resulted in the increase in net position in the Vehicle and Equipment Replacement Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City made revisions to the original budget approved by the City Council. Management's estimate of the General Fund's budgeted revenues increased $1,651,116 or 3.0% from original budget based on year-to-date experience. Actual revenues exceeded budget by $4,698,804 primarily due to municipal sales and mixed beverage taxes exceeding budget by $2,882,698.

Actual expenditures were $1,273,185 more than budget primarily because of more than $2 million of capital outlays related to subscriptions reported as a result of the implementation of GASB Statement No. 96.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023 amount to $614,790,357 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, construction in progress, and right-to-use assets.

The City has elected to use the modified approach for its street system in lieu of the depreciation method. An up-to-date inventory of these infrastructure assets was performed and the annual costs to maintain and preserve these assets was established and disclosed through administrative policy. The current condition level of the street system meets the target condition level established by the City. There were no significant changes in the condition levels of infrastructure assets, and the differences between the estimated amounts necessary to maintain and preserve the street system at target condition levels and the actual amount of expense incurred for that purpose for 2023 was not material.

Major capital projects completed during the current year included the following:

- Drainage improvements at North Peytonville and Raven Bend
- Gateway Lakes Park drainage improvements
- Southlake Park water line improvements

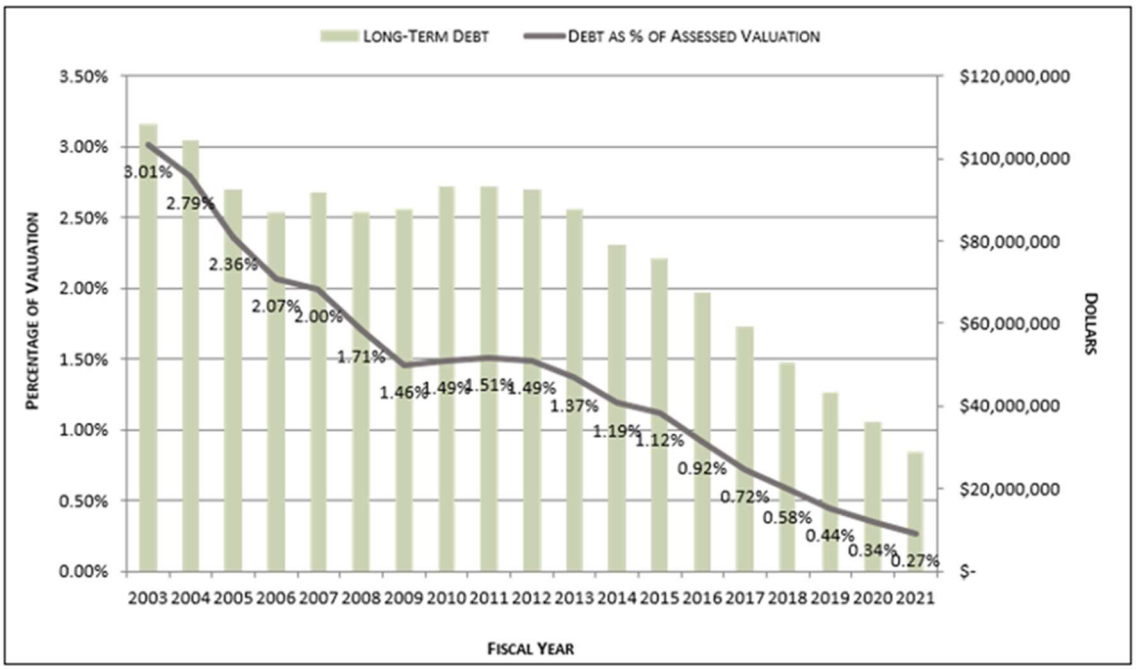
	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land and improvements	$ 111,367,374	$ 112,488,586	$ 21,447,795	$ 21,033,596	$ 132,815,169	$ 133,522,182
Construction in progress	17,195,881	10,045,101	5,519,580	1,414,673	22,715,461	11,459,774
Buildings and improvements	106,641,267	109,721,666	107,643	137,961	106,748,910	109,859,627
Improvements	-	-	71,571,273	74,823,256	71,571,273	74,823,256
Infrastructure	265,723,506	265,262,406	-	-	265,723,506	265,262,406
Machinery and equipment	12,358,011	10,537,317	43,781	65,216	12,401,792	10,602,533
Right-to-use assets:						
Lease equipment	447,330	333,639	-	-	447,330	333,639
Subscriptions	2,366,916	-	-	-	2,366,916	-
Total	$ 516,100,285	$ 508,388,715	$ 98,690,072	$ 97,474,702	$ 614,790,357	$ 605,863,417

Additional information on the City's capital assets can be found in Note 4 on pages 66-67 of this report.

Long-term Debt - At the end of the current fiscal year, the governmental activities had $76,946,956 total bonds outstanding which were issued to finance capital improvements for roadway, parks and recreation, public buildings and infrastructure. The business-type activities had $25,805,211 of total bonds outstanding which were issued to finance projects to increase capacity of the utility system.

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Bonds Payable	$ 76,946,956	$ 74,015,056	$ 25,805,211	$ 28,512,757	$ 102,752,167	$ 102,527,813
Total OPEB liability	728,306	1,059,723	59,591	82,972	787,897	1,142,695
Net pension liability	18,318,244	1,332,735	1,498,377	300,064	19,816,621	1,632,799
Financed purchases	308,329	405,368	-	-	308,329	405,368
Lease liabilities	448,904	338,051	-	-	448,904	338,051
Subscription liabilities	2,165,395	-	-	-	2,165,395	-
Compensated absences	2,703,252	2,721,441	98,554	117,215	2,801,806	2,838,656
	$ 101,619,386	$ 79,872,374	$ 27,461,733	$ 29,013,008	$ 129,081,119	$ 108,885,382

The City takes it debt obligation very seriously. Several years ago, the City Council working with City staff set goals to reduce the debt as percentage of assessed valuation over the total long term debt. As you can see in the figure below, the City has reduced the percentage from 3.01% in 2003 to 0.24% in 2023, during a time of growth for the City. The line that you see on this chart is a graphic illustration of one of the reasons why two bond rating agencies have rated Southlake's bonds "AAA".



The City has been able to effectively manage its debt during a period of growth using cash to partially offset borrowing needs. Additionally, managing debt amortization has been a tool used to reduce borrowing costs.

The City's bonds are rated "AAA" by Standard and Poor's and Fitch Ratings. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt.

Additional information on the City's long-term debt can be found in Note 5 on pages 67-73 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The State of Texas, by constitution, does not have a personal income tax and therefore the State operates primarily using sales and gasoline taxes. Local governments primarily rely on property and sales taxes and fees to fund their government activities.

While property taxes are important to the City, they represent 36.6% of total governmental revenue. Sales tax has grown to the largest governmental resource representing 41.5% of total governmental revenue. The City monitors all of its resources and determines the need for program adjustment or fee increases accordingly.

The FY 2024 adopted budget incorporates a tax rate of $0.319 per $100 valuation, reducing the rate by over four cents. The tax rate of $0.319 is split between General Fund operations and debt service. The allocation for FY 2024 is $0.264 for general operations and $0.055 for debt service. The reduction has been taken from both the operations and debt service part of the rate.

The ongoing use of the 20% homestead exemption will complement the current over-65 exemption of $75,000, disabled exemption of $75,000, and the over-65 tax freeze. The continuation of these exemptions offers additional tax relief. A 20% homestead exemption will reduce the taxable value of an average-valued home in Southlake by $201,479.

The property owner of an average-valued home will see the equivalent of a tax rate reduction of approximately six cents per $100 valuation with the exemption applied. With the homestead exemption in place, and considering the tax rate reduction, the equivalent residential tax rate on an average-valued home is $0.255.

More than 70% of the City's General Fund budgeted expenditures are related to personnel costs. It is the City's goal to continue to provide for a fair compensation and benefits program to ensure a stable and high-performing workforce. The FY 2024 budget recognizes and addresses the competitive labor market and the need to recruit and retain strong talent.

Multi-year financial planning is another budget development consideration, one of the most important. Executive leaders evaluate the operational impact of all identified projects and include those costs in future budget projections. Staff monitors trends that depict the long-term financial health of the City and uses these trends to make decisions to reach financial and service goals.

The City has taken an additional formal step to understand and plan for the organization's financial future by adopting the Sustainability Master Plan as an element of the Southlake Comprehensive Plan. It contains formal recommendations to ensure positive financial outcomes for the City.

Requests for Information

This financial report is designed to provide a general overview of the City of Southlake's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, 1400 Main Street, Suite 420, Southlake, Texas 76092.

Basic Financial Statements

Government-wide Financial Statements

City of Southlake, Texas

Statement of Net Position
September 30, 2023

Exhibit 1

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and investments	$ 211,313,556	$ 56,209,506	$ 267,523,062
Receivables (net of allowance for uncollectibles)	12,137,136	7,445,660	19,582,796
Prepaid items	1,048,510	-	1,048,510
Inventories	47,008	-	47,008
Restricted assets			
Cash and cash equivalents	2,991,225	15,353,708	18,344,933
Restricted cash for customer deposits	-	298,337	298,337
Receivables	11,446	-	11,446
OPEB asset	452,288	-	452,288
Capital assets:			
Not being depreciated/amortized	347,460,257	26,967,375	374,427,632
Net of depreciation/amortization	168,640,028	71,722,697	240,362,725
Total assets	744,101,454	177,997,283	922,098,737
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	581,108	219,000	800,108
Deferred outflows - TMRS pension	11,649,044	848,525	12,497,569
Deferred outflows - TMRS OPEB	186,305	14,198	200,503
Deferred outflows - OPEB Health	811,737	-	811,737
Total deferred outflows of resources	13,228,194	1,081,723	14,309,917
LIABILITIES			
Accounts payable	7,590,687	3,999,563	11,590,250
Accrued liabilities	1,624,789	314,698	1,939,487
Accrued interest payable	-	106,845	106,845
Retainage payable	358,321	401,005	759,326
Deposits payable	750,032	-	750,032
Unearned revenue	4,051,000	184,176	4,235,176
Liabilities payable from restricted assets			
Accrued interest	384,527	-	384,527
Customer meter deposits	-	298,337	298,337
Non-current liabilities:			
Due within one year	11,383,590	2,521,298	13,904,888
Due in more than one year	90,235,796	24,940,435	115,176,231
Total liabilities	116,378,742	32,766,357	149,145,099
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding	76,633	280,969	357,602
Deferred inflows - leases	944,303	-	944,303
Deferred inflows - TMRS OPEB	407,911	29,126	437,037
Deferred inflows - OPEB Health	546,311	-	546,311
Total deferred inflows of resources	1,975,158	310,095	2,285,253
NET POSITION			
Net investment in capital assets	450,639,461	75,167,644	525,807,105
Restricted for			
Debt service	5,256,902	-	5,256,902
OPEB Asset	452,288	-	452,288
Capital projects	34,698,804	-	34,698,804
Municipal court	859,689	-	859,689
Reinvestment zone	8,347,195	-	8,347,195
Police	8,530,927	-	8,530,927
Parks and recreation	58,345,188	-	58,345,188
Library	19,534	-	19,534
Storm water	2,162,574	-	2,162,574
Promotion of culture and tourism	3,185,163	-	3,185,163
Impact fees	-	8,464,094	8,464,094
Unrestricted	66,478,023	62,370,816	128,848,839
TOTAL NET POSITION	$ 638,975,748	$ 146,002,554	$ 784,978,302

The Notes to the Financial Statements are an integral part of this statement.

City of Southlake, Texas

Exhibit 2

Statement of Activities

For the Fiscal Year Ended September 30, 2023

Functions/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business - Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: TOTAL
PRIMARY GOVERNMENT:							
Governmental Activities:							
General government	$ 19,837,190	$ 1,712,925	$ 140	$ -	$ (18,124,125)	$ -	$ (18,124,125)
Public safety	26,658,917	774,891	726,998	-	(25,157,028)	-	(25,157,028)
Public works	12,108,564	3,477,348	-	2,382,770	(6,248,446)	-	(6,248,446)
Culture and recreation	25,112,091	5,664,775	98,632	-	(19,348,684)	-	(19,348,684)
Interest on long-term debt	2,071,867	-	-	-	(2,071,867)	-	(2,071,867)
Total governmental activities	85,788,629	11,629,939	825,770	2,382,770	(70,950,150)	-	(70,950,150)
Business-type Activities:							
Water and sewer	28,506,292	37,630,965	-	2,064,296	-	11,188,969	11,188,969
Total business-type activities	28,506,292	37,630,965	-	2,064,296	-	11,188,969	11,188,969
TOTAL PRIMARY GOVERNMENT	$ 114,294,921	$ 49,260,904	$ 825,770	$ 4,447,066	(70,950,150)	11,188,969	(59,761,181)
General revenues and transfers:							
General revenues							
Property taxes, levied for general purposes					42,315,760	-	42,315,760
Sales taxes					47,917,152	-	47,917,152
Franchise taxes					3,656,895	-	3,656,895
Investment income					7,934,301	2,594,308	10,528,609
Gain on disposal of capital assets					4,156	-	4,156
Miscellaneous					512,725	-	512,725
Transfers					1,336,469	(1,336,469)	-
Total general revenues and transfers					103,677,458	1,257,839	104,935,297
Change in net position					32,727,308	12,446,808	45,174,116
Net position, beginning of year					606,248,440	133,555,746	739,804,186
NET POSITION, end of year					$ 638,975,748	$ 146,002,554	$ 784,978,302

The Notes to the Financial Statements are an integral part of this statement.

Fund Financial Statements

Governmental Funds Financial Statements

City of Southlake, Texas
Balance Sheet – Governmental Funds
September 30, 2023

	GENERAL	GENERAL OBLIGATION DEBT SERVICE	GENERAL CAPITAL PROJECTS
ASSETS			
Cash and investments	$ 49,724,073	$ 2,991,225	$ 67,912,481
Receivables, net of allowances for uncollectibles:			
Ad valorem taxes	47,760	10,463	-
Franchise taxes	737,965	-	-
Sales taxes	4,679,857	-	-
Interest	28,258	853	19,363
Leases	940,596	-	-
Other	45,774	130	-
Inventories	47,008	-	-
Prepaid items	7,309	-	-
TOTAL ASSETS	$ 56,258,600	$ 3,002,671	$ 67,931,844
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 3,902,745	$ -	$ 1,727,606
Accrued liabilities	1,383,661	-	-
Retainage payable	-	-	261,963
Deposits payable	41,766	-	642,816
Unearned revenue	670,763	-	2,894,099
TOTAL LIABILITIES	5,998,935	-	5,526,484
DEFERRED INFLOWS OF RESOURCES			
Unavailable resources	383,172	9,408	-
Deferred inflows - leases	907,028	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,290,200	9,408	-
FUND BALANCES			
Nonspendable	54,317	-	-
Restricted	-	2,993,263	34,698,804
Committed	-	-	-
Assigned	31,320,539	-	27,706,556
Unassigned	17,594,609	-	-
TOTAL FUND BALANCES	48,969,465	2,993,263	62,405,360
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 56,258,600	$ 3,002,671	$ 67,931,844

The Notes to the Financial Statements are an integral part of this statement.

SOUTHLAKE PARKS DEVELOPMENT CORPORATION - OPERATING	COMMUNITY ENHANCEMENT DEVELOPMENT CORPORATION SPECIAL REVENUE	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$ 11,951,582	$ 19,619,222	$ 51,441,830	$ 203,640,413
-	-	-	58,223
-	-	-	737,965
2,336,558	1,730,784	1,092,731	9,839,930
3,500	5,605	14,671	72,250
38,271	-	-	978,867
38,456	157,002	217,002	458,364
-	-	-	47,008
-	-	-	7,309
$ 14,368,367	$ 21,512,613	$ 52,766,234	$ 215,840,329
$ 53,450	$ 71,765	$ 1,835,126	$ 7,590,692
16,137	117,261	107,730	1,624,789
-	-	96,358	358,321
-	65,450	-	750,032
-	486,138	-	4,051,000
69,587	740,614	2,039,214	14,374,834
12,679	-	-	405,259
37,275	-	-	944,303
49,954	-	-	1,349,562
-	-	-	54,317
14,248,826	20,771,999	49,068,203	121,781,095
-	-	1,658,817	1,658,817
-	-	-	59,027,095
-	-	-	17,594,609
14,248,826	20,771,999	50,727,020	200,115,933
$ 14,368,367	$ 21,512,613	$ 52,766,234	$ 215,840,329

City of Southlake, Texas **Exhibit 4**

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2023

Total fund balances - governmental funds	$	200,115,933
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds balance sheet (less $6,311,032 in assets allocated to governmental activities from the internal service fund).		509,789,253
Interest payable on long-term debt does not require current financial resources; therefore, interest payable is not reported as a liability in the governmental funds balance sheet.		(384,527)
Internal service funds are used by management to charge the cost of certain activities, such as fleet management, to individual funds. This amount represents the assets less the liabilities of the internal service fund allocated to governmental activities.		18,019,584
OPEB asset has not been included in the governmental fund financial statements, as these assets do not represent current financial resources.		452,288
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.		405,259
For debt refundings, the difference between the acquisition price and net carrying amount of the debt has been deferred and amortized in the government-wide financial statements. This amount is the net of deferred losses, $581,113 and gains ($76,633) on refundings.		504,480
Deferred outflows of resources related to the City's pension and OPEB liabilities result in an increase in net position in the government-wide financial statements.		12,647,086
Deferred inflows of resources related to the City's pension and OPEB liabilities result in a decrease in net position in the government-wide financial statements.		(954,222)
Long-term liabilities, including bonds payable and net pension and OPEB liabilities, are not due and payable in the current period and therefore are not reported in the fund financial statements.		(101,619,386)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	638,975,748

The Notes to the Financial Statements are an integral part of this statement.

City of Southlake, Texas

Statement of Revenues, Expenditures,
and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended September 30, 2023

	GENERAL	GENERAL OBLIGATION DEBT SERVICE	GENERAL CAPITAL PROJECTS
REVENUES			
Ad valorem taxes, penalties and interest	$ 26,578,947	$ 5,886,605	$ -
Franchise taxes	3,656,895	-	-
Municipal sales and mixed beverage taxes	22,790,698	-	-
Licenses, permits and fees	2,101,778	-	-
Charges for services	2,098,618	-	-
Fines and forfeitures	795,072	-	-
Intergovernmental revenue	496,469	-	794,189
Capital recovery fees	-	-	466,928
Investment income (losses)	2,088,292	155,007	2,322,954
Contributions	45,788	-	10,253
Miscellaneous	230,110	-	136,476
Total revenues	60,882,667	6,041,612	3,730,800
EXPENDITURES			
Current			
General government			
City secretary/mayor	586,176	-	-
City manager's office	1,107,936	-	-
Human resources	965,103	-	-
Support services	4,891,905	-	-
Economic development	332,109	-	-
Finance	1,847,819	-	-
Municipal court	799,731	-	-
Teen court	145,254	-	-
Information technology	3,635,409	-	-
Public safety			
Police services	8,263,315	-	-
Fire services	11,798,804	-	-
Public safety support	1,575,064	-	-
Public works			
Public works administration	2,340,428	-	-
Streets and drainage	1,163,500	-	3,805,906
Planning	1,245,423	-	-
Building inspection	1,209,322	-	-
Cultural and recreation			
Community services	1,415,750	-	-
Parks and recreation	4,268,243	-	-
Library services	1,139,467	-	-
Promotion of tourism	-	-	-
Intergovernmental	-	-	-
Capital outlay	4,897,087	-	6,204,052
Debt service:			
Principal retirement	918,815	5,795,832	-
Interest and fiscal charges	24,257	942,467	95,906
Total expenditures	54,570,917	6,738,299	10,105,864
Excess (deficiency) of revenues over (under) expenditures	6,311,750	(696,687)	(6,375,064)
OTHER FINANCING SOURCES (USES)			
Issuance of long-term debt	-	-	13,397,000
Issuance of financed purchases	53,975	-	-
Issuance of subscriptions	2,608,340	-	-
Sale of capital assets	4,156	-	-
Transfers from other funds	2,844,912	402,554	9,545,000
Transfers to other funds	(11,967,091)	-	-
Total other financing sources (uses)	(6,455,708)	402,554	22,942,000
Net change in fund balances	(143,958)	(294,133)	16,566,936
Fund balances, beginning of year	49,113,423	3,287,396	45,838,424
FUND BALANCES, END OF YEAR	$ 48,969,465	$ 2,993,263	$ 62,405,360

The Notes to the Financial Statements are an integral part of this statement.

SOUTHLAKE PARKS DEVELOPMENT CORPORATION OPERATING	COMMUNITY ENHANCEMENT DEVELOPMENT CORPORATION SPECIAL REVENUE	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$ -	$ -	$ 9,834,043	$ 42,299,595
-	-	-	3,656,895
11,426,173	8,463,832	5,236,449	47,917,152
-	-	373,299	2,475,077
116,376	4,413,152	1,606,564	8,234,710
-	-	108,613	903,685
-	-	254,541	1,545,199
-	-	-	466,928
306,621	632,339	1,980,613	7,485,826
-	6,685	47,341	110,067
-	9,573	136,566	512,725
11,849,170	13,525,581	19,578,029	115,607,859
-	-	-	586,176
-	-	-	1,107,936
-	-	-	965,103
-	-	1,579,012	6,470,917
-	-	-	332,109
-	-	-	1,847,819
-	-	86,012	885,743
-	-	-	145,254
-	-	-	3,635,409
-	-	2,429,139	10,692,454
-	-	-	11,798,804
-	-	-	1,575,064
-	-	-	2,340,428
-	-	522,694	5,492,100
-	-	-	1,245,423
-	-	-	1,209,322
1,632,063	5,097,866	120,653	8,266,332
-	-	-	4,268,243
-	-	7,929	1,147,396
-	-	863,647	863,647
-	-	6,454,981	6,454,981
291,744	130,805	3,502,350	15,026,038
-	21,862	4,041,219	10,777,728
-	1,143	1,373,066	2,436,839
1,923,807	5,251,676	20,980,702	99,571,265
9,925,363	8,273,905	(1,402,673)	16,036,594
-	-	-	13,397,000
-	-	-	53,975
-	130,805	292,043	3,031,188
-	-	-	4,156
-	-	14,336,589	27,129,055
(9,692,976)	(4,301,136)	(3,031,383)	(28,992,586)
(9,692,976)	(4,170,331)	11,597,249	14,622,788
232,387	4,103,574	10,194,576	30,659,382
14,016,439	16,668,425	40,532,444	169,456,551
$ 14,248,826	$ 20,771,999	$ 50,727,020	$ 200,115,933

City of Southlake, Texas **Exhibit 6**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Fund to the Statement of Activities
For the Fiscal Year Ended September 30, 2023

Net change in fund balances - total governmental funds		$ 30,659,382
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount of capital assets additions recorded in the current period (does not include additions of $2,100,595 allocated from internal service fund).		14,810,538
Depreciation and amortization expense on capital assets are reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation and amortization expenses are not reported as expenditures in the governmental funds. (does not include $1,111,549 allocated from internal service fund).		(9,405,509)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of the following items:		
Issuance of bonds	$ (13,397,000)	
Issuance of financed purchases	(53,975)	
Issuance of SBITAs	(3,031,188)	
Principal payments on debt	9,766,871	
Principal payments on financed purchases and other lease liabilities	1,010,857	
Amortization of premiums and deferred gains and losses	420,241	
		(5,284,194)
The changes in net pension liability and deferred outflows/inflows from TMRS are not reported in the governmental funds. This is the net effect of the increase in the net pension liability, ($16,985,509), decrease in deferred inflows of resources, $6,976,554, and increase in deferred outflows of resources, $8,370,643.		(1,638,312)
The changes in total OPEB liability and deferred outflows/inflows from TMRS are not reported in the governmental funds. This is the net effect of the decrease in the total SDBF OPEB liability $331,417, increase in deferred inflows of resources, ($325,733), and decrease in deferred outflows of resources, ($52,701).		(47,017)
The changes in net OPEB liability and deferred outflows/inflows for healthcare are not reported in the governmental funds. This is the net effect of the decrease in the total healthcare OPEB asset, ($265,119), decrease in deferred inflows of resources, $315,012, and increase in deferred outflows of resources, $23,043.		72,936
Current year changes in the long-term liability for compensated absences do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.		18,192
Current year changes in accrued interest payable do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.		(63,525)
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, to individual funds. The net income of the internal service fund is allocated entirely to governmental activities.		2,523,748
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities, the fair value of those assets is recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.		1,111,400
Gain on disposal of capital assets results in an increase in net position, but the net effect is not reported in governmental funds.		4,156
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		(34,487)
Change in net position of governmental activities		$ 32,727,308

The Notes to the Financial Statements are an integral part of this statement.

Proprietary Funds Financial Statements

City of Southlake, Texas

Exhibit 7

Statement of Net Position – Proprietary Funds
September 30, 2023

	BUSINESS-TYPE ACTIVITIES WATER AND SEWER ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES VEHICLE AND EQUIPMENT REPLACEMENT INTERNAL SERVICE FUND
ASSETS		
CURRENT ASSETS		
Cash and investments	$ 56,209,506	$ 10,664,368
Receivables, net of allowance for uncollectibles:		
Billed and unbilled trade accounts	7,425,171	-
Interest	20,489	2,983
Prepaid expenses	-	1,041,201
Restricted assets:		
Cash restricted for capital	15,353,708	-
Restricted cash for customer deposits	298,337	-
Total current assets	79,307,211	11,708,552
NON-CURRENT ASSETS		
Capital assets:		
Land	21,447,794	-
Buildings and improvements	935,501	-
Distribution system	155,756,543	-
Equipment	3,024,292	703,246
Vehicles	-	13,243,633
Capacity rights	9,190,988	-
Construction in progress	5,519,581	-
Total capital assets	195,874,699	13,946,879
Less: accumulated depreciation and amortization	(97,184,627)	(7,635,847)
Capital assets, net of accumulated depreciation and amortization	98,690,072	6,311,032
Total non-current assets	98,690,072	6,311,032
TOTAL ASSETS	$ 177,997,283	$ 18,019,584
DEFERRED OUTFLOW OF RESOURCES		
Deferred loss on refunding	$ 219,000	$ -
Deferred outflows - TMRS pension	848,525	-
Deferred outflows - TMRS OPEB	14,198	-
Total deferred outflows of resources	1,081,723	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	3,999,563	-
Accrued liabilities	314,698	-
Retainage payable	401,005	-
Accrued interest	106,845	-
Unearned revenue	184,176	-
Current portion of general obligation debt	2,488,640	-
Current portion of compensated absences	32,658	-
Payable from restricted assets:		
Customer meter deposits	298,337	-
Total current liabilities	7,825,922	-
NON-CURRENT LIABILITIES		
General obligation debt	23,316,571	-
Compensated absences	65,896	-
Net pension liability	1,498,377	-
Total OPEB liability	59,591	-
Total non-current liabilities	24,940,435	-
TOTAL LIABILITIES	32,766,357	-
DEFERRED INFLOW OF RESOURCES		
Deferred gain on refunding	280,969	-
Deferred inflows - TMRS OPEB	29,126	-
Total deferred inflows of resources	310,095	-
NET POSITION		
Net investment in capital assets	75,167,644	6,311,032
Restricted for impact fees	8,464,094	-
Unrestricted	62,370,816	11,708,552
TOTAL NET POSITION	$ 146,002,554	$ 18,019,584

The Notes to the Financial Statements are an integral part of this statement.

City of Southlake, Texas **Exhibit 8**

Statement of Revenues, Expenses,
and Changes in Net Position – Proprietary Funds
For the Fiscal Year Ended September 30, 2023

	BUSINESS-TYPE ACTIVITIES WATER AND SEWER ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES VEHICLE AND EQUIPMENT REPLACEMENT INTERNAL SERVICE FUND
OPERATING REVENUES		
Charges for sales and services:		
Water, sewer and garbage	$ 37,504,661	$ -
Service charges	126,304	-
Total operating revenues	37,630,965	-
OPERATING EXPENSES:		
Personnel services	2,994,673	-
Contractual services	2,483,268	-
Supplies	474,494	13,178
Utilities	11,243,234	-
Administrative	38,735	-
Maintenance	5,435,490	-
Professional benefits	44,492	-
Depreciation and amortization	5,148,187	1,111,549
Total operating expenses	27,862,573	1,124,727
OPERATING INCOME (LOSS)	9,768,392	(1,124,727)
NON-OPERATING REVENUES (EXPENSES)		
Investment income	2,594,308	448,475
Interest expense and bond administration expense	(643,719)	-
Total non-operating revenues (expenses)	1,950,589	448,475
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	11,718,981	(676,252)
CAPITAL CONTRIBUTIONS AND TRANSFERS		
Capital contributions - property owners	1,678,920	-
Contributions - impact fees	385,376	-
Transfers from other funds	67,091	3,200,000
Transfers to other funds	(1,403,560)	-
Total capital contributions and transfers	727,827	3,200,000
Change in net position	12,446,808	2,523,748
Net position, beginning of year	133,555,746	15,495,836
NET POSITION, END OF YEAR	$ 146,002,554	$ 18,019,584

The Notes to the Financial Statements are an integral part of this statement.

City of Southlake, Texas

Exhibit 9

Statement of Cash Flows – Proprietary Funds
For the Fiscal Year Ended September 30, 2023

	BUSINESS-TYPE ACTIVITIES WATER AND SEWER ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES VEHICLE AND EQUIPMENT REPLACEMENT INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers and users	$ 36,189,860	$ -
Cash payments to suppliers	(19,018,468)	(13,178)
Cash payments to employees	(2,894,437)	-
Net cash provided by (used in) operating activities	14,276,955	(13,178)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(4,684,637)	(3,141,794)
Principal payments on bonds	(2,439,168)	-
Interest paid on capital debt	(893,107)	-
Contributions - impact fees	385,376	-
Net cash used in capital and related financing activities	(7,631,536)	(3,141,794)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers from other funds	67,091	3,200,000
Transfers to other funds	(1,403,560)	-
Net cash provided by (used in) non-capital financing activities	(1,336,469)	3,200,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment gains	2,594,308	448,475
Interest received	39,101	6,204
Net cash provided by investing activities	2,633,409	454,679
Net change in cash and cash equivalents	7,942,359	499,707
CASH AND CASH EQUIVALENTS, beginning of year	63,919,192	10,164,661
CASH AND CASH EQUIVALENTS, end of year	$ 71,861,551	$ 10,664,368
RECONCILIATION TO STATEMENT OF NET POSITION		
Cash and cash equivalents	$ 56,209,506	$ 10,664,368
Cash restricted for capital	15,353,708	-
Restricted cash for customer deposits	298,337	-
Total cash and cash equivalents	$ 71,861,551	$ 10,664,368
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	$ 9,768,392	$ (1,124,727)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	5,148,187	1,111,549
Decrease (increase) in assets and deferred outflows of resources		
Receivables	(1,407,391)	-
Deferred outflows of resources - pensions and OPEB	(579,642)	-
Increase (decrease) in liabilities and deferred outflows of resources		
Payables and accruals	682,584	-
Customer deposits	(25,425)	-
Deferred inflows of resources - pensions and OPEB	(476,393)	-
Decrease in pension and OPEB liabilities	1,174,932	-
Unearned revenue	(8,289)	-
Net cash provided by (used in) operating activities	$ 14,276,955	$ (13,178)
NON-CASH CAPITAL AND RELATED FINANCING:		
Contributions of capital assets from developers	$ 1,678,920	$ -

The Notes to the Financial Statements are an integral part of this statement.

Fiduciary Fund Financial Statements

City of Southlake, Texas **Exhibit 10**

OPEB Liability Trust Fund
Statement of Fiduciary Net Position
December 31, 2022

	Trust Fund* Southlake OPEB Liability
ASSETS	
Investments	$ 2,339,116
TOTAL ASSETS	$ 2,339,116
NET POSITION	
Restricted for post employment benefits other than pensions	$ 2,339,116
TOTAL NET POSITION	$ 2,339,116

* The Southlake Other Post Employment Benefit (OPEB) Liability Trust Fund is reported as of December 31, 2022.

The Notes to the Financial Statements are an integral part of this statement.

City of Southlake, Texas **Exhibit 11**

OPEB Liability Trust Fund
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2022

	Trust Fund Southlake OPEB Liability
ADDITIONS	
Employer contributions	$ 225,370
Investment earnings, net of unrealized/realized gain/(loss)	(343,355)
TOTAL ADDITIONS	(117,985)
DEDUCTIONS	
Benefit payments	85,370
Administrative expenses	7,980
TOTAL DEDUCTIONS	93,350
Change in net position	(211,335)
Net position, beginning of year	2,550,451
NET POSITION - END OF YEAR	$ 2,339,116

The Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

General Statement

The City of Southlake (the City) operates under a Home Rule Council – Manager form of government. All powers of the City are vested in an elected council, which enables local legislation, adopts budgets, determines policies and appoints the City Manager. The City Manager is responsible for executing the laws and administering the government of the City.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the City are described below.

Financial Reporting Entity

The City is governed by an elected mayor and six-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The criteria for including legally separate organizations as component units within the City's reporting entity are set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Based on these criteria, the financial information of the following entities has been blended within the reporting entity. Individual financial statements are not available for these component units.

Southlake Parks Development Corporation (SPDC) – The SPDC is a nonprofit industrial development corporation formed in January 1994 under the Development Corporation Act of 1979. The SPDC is organized exclusively to act on behalf of the City for the financing, development and operation of parks and recreation facilities. The affairs of the SPDC are managed by a seven member board of directors, of which four are members of the City Council. The annual corporate budget and issuance of debt must be approved by the City Council. Since the Board of the SPDC is substantively the same as the City Council, the SPDC has been reported as a blended component unit.

Southlake Community Enhancement and Development Corporation (CEDC) – The CEDC was formed under the Development Corporation Act of 1979, as amended, Title 12, Subtitle C1 of the Texas Local Government Code. The CEDC is organized to promote economic development within the City, including developing, implementing, providing and financing projects including a community entertainment and recreation center for the City. The CEDC is governed by a seven member board appointed by the City Council. The annual budget and issuance of debt must be approved by the City Council. Since the CEDC provides services entirely to the City, it has been reported as a blended component unit.

Southlake Tax Increment Financing District (TIF) – The TIF was formed to finance and make public improvements, under the authority of the Tax Increment Financing Act. The TIF is governed by a nine member board of directors consisting of the eight members appointed by the City Council, and one member appointed by Carroll Independent School District. Since the Board of the TIF is substantively the same as the City Council, the City has operational responsibility for the TIF and the City receives financial benefit from the TIF, the TIF has been reported as a blended component unit.

Southlake Crime Control and Prevention District (CCD) – The CCD was formed under Chapter 363 of the Texas Local Government Code, the Crime Control and Prevention Act. The CCD is organized exclusively to act on behalf of the City for the financing, development and crime control throughout the City. The CCD is governed by a seven member board appointed by the City Council. The annual budget and issuance of debt must be approved by the City Council. Since the CCD provides services entirely to the City, it has been reported as a blended component unit.

Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City, except for fiduciary funds. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental funds and proprietary funds. These statements present each major fund as a separate column in the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources.

Governmental Funds

The City reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

General Obligation Debt Service Fund
The General Obligation Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on long-term debt paid primarily from taxes levied by the City. The fund balance of the General Obligation Debt Service Fund is restricted exclusively for debt service expenditures.

General Capital Projects Fund
The General Capital Projects Fund is used to account for resources used for the acquisition and/or construction of capital facilities by the City, except those financed by proprietary funds and not accounted for by another capital projects fund.

Southlake Parks Development Corporation
The Southlake Parks Development Corporation (SPDC) Fund was established to account for the general operations of the non-profit corporation established to finance, develop and operate park and recreational facilities. The SPDC is funded primarily through the municipal sales taxes.

Community Enhancement and Development Corporation
The Community Enhancement and Development Corporation (CEDC) Fund was established to account for the general operations of the non-profit corporation established to finance, develop and operate a community entertainment and recreation center. The CEDC is funded primarily through municipal sales taxes and user fees.

Proprietary Funds
Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in the Statement of Net Position.

The City reports the following major proprietary fund:

Water and Sewer Enterprise Fund
The Water and Sewer Enterprise Fund is used to account for the acquisition, operation and maintenance of a municipal water and sewer utility, supported primarily by user charges to the public.

Additionally, the City reports an Internal Service Fund which is used to account for vehicle and equipment replacement provided to departments of the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds
The City also presents one trust fund, Southlake OPEB Liability Trust Fund. The City's OPEB Liability Trust Fund accounts for the funding of postemployment healthcare benefits for retirees of the City and their dependents which is presented as of December 31, 2022.

Measurement Focus and Basis of Accounting
Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary and fiduciary funds are reported using the accrual basis of accounting. The government-wide, proprietary fund, and fiduciary trust fund financial statements are prepared using the economic resources measurement focus. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included in the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available.

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, sales taxes, franchise taxes and interest are susceptible to accrual. Other receipts become measurable and available when cash is received by the City and are recognized as revenue at that time.

Cash, Cash Equivalents and Investments
In accordance with GASB Statement No. 31, the City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments, which have a remaining term of one year or less at the time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. As of September 30, 2023, the investments held by the City had a remaining maturity of greater than one year from purchase and accordingly are carried at fair value.

The City's cash and cash equivalents are defined as cash on hand, cash and pooled investment demand deposits held with financial institutions, and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalents also includes long-term investments with maturity of greater than one year. The classification of the City's cash and cash equivalents is reported in Note 2.

The City pools idle cash from all funds for the purpose of increasing income through coordinated investment activities. Interest earnings are allocated to the respective funds based upon each fund's relative balance in the pool.

Cash and cash equivalents reported as restricted are restricted for debt service, acquisition and construction of capital assets, and for utility deposits held by the City.

Property Taxes
The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and certain personal property located within the City. Appraised values are established by the Central Appraisal Districts at 100% of estimated market value and certified by the Appraisal Review Board. The assessed value upon which the 2022 levy was based on was $12,376,568,531. Taxes are due on October 1 and are delinquent after the following January 31.

The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. The combined tax rate to finance general governmental services including the payment of principal and interest on long-term debt for the year ended September 30, 2023 was 0.360 per $100 of assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values.

Interfund Receivables and Payables
Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Transactions between Funds
Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund reimbursed. All other interfund transactions, except interfund services provided and used and reimbursements, are recorded as transfers. Interfund services provided and used are not eliminated in the process of consolidation.

Inventories
Inventories are stated at cost (first-in, first-out) and are determined annually by taking a physical inventory. Inventory in the general fund consists of gasoline held for consumption and is reported on the consumption method. Under the consumption method the cost is recorded as an expenditure at the time individual inventory items are utilized.

Prepaid Items
Certain payments reflect costs applicable to future periods and are recorded as prepaid items in the government-wide and fund financial statements. These items consist principally of postage and deposits for purchases and are reported on the consumption method.

Leases
Effective October 1, 2021, the City implemented GASB Statement No. 87, Leases, which required the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Lessee – The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary funds financial statements.

At implementation of GASB Statement No. 87, the City initially measured the lease liabilities at the present value of payments expected to be made during the remaining lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease right-to-use asset was initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease right-to use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor—The City recognizes a lease receivable and deferred inflow of resources in the government-wide and governmental funds financial statements.

At implementation of GASB Statement No. 87, the City measured the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a re-measurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements (SBITAs)

The City has noncancellable contracts with SBITA vendors for the right-to-use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The City recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide and proprietary fund financial statements. The City recognizes subscription liabilities with an initial, individual value of $5,000 or more.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.

- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the City is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Capital Assets
Capital assets, which include property, plant, equipment, right-to-use lease assets, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at acquisition value on the date donated.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the asset lives are not capitalized. Renewals and betterments are capitalized.

Assets capitalized have an original cost of $5,000 or more and over one year of useful life. Depreciation/amortization has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20 - 50 Years
Water and sewer distribution system	35 - 50 Years
Water hydrants	10 - 15 Years
Water tanks	35 Years
Computer equipment	5 Years
Heavy equipment and vehicles	10 - 20 Years
Light vehicles	2 - 10 Years
Vehicles	5 Years
Improvements	25 Years
Infrastructure	10 Years

The street network is not depreciated. The City has elected to use the modified approach in accounting for its street infrastructure. The modified approach allows governments to report as expenses in lieu of depreciation, infrastructure expenditures which maintain the asset but do not add to or improve the asset. Additions and improvements to the street network are capitalized. The City uses an asset management system to rate street condition and quantify the results of maintenance efforts.

The City has established the Vehicle and Equipment Replacement Internal Service Fund to account for City-owned vehicles and equipment. The fund receives transfers from other funds.

Right-to-use lease and subscription assets are amortized over the duration of the lease using the straight-line method.

Compensated Absences
City employees earn vacation and sick leave, which may either be taken or accumulated, up to certain amounts, until paid upon retirement or termination. Employees with 10 or 20 year tenures of continuous employment with the City are eligible to receive payment of their unused sick leave, within certain limitations. Upon termination or retirement, an employee is reimbursed up to a maximum number of hours of vacation pay based upon the years of service. All vacation is accrued in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured.

Long-Term Obligations
In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts, as well as any deferred losses and gains on the refunding of bonds, are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are recorded as expenses when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions and Other Postemployment Benefits (OPEB)
For purposes of measuring the net pension and net OPEB liabilities (assets), pension and OPEB related deferred outflows and inflows of resources and pension and OPEB expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Information regarding the City's Total Pension Liability and Total OPEB Liability is obtained from TMRS through reports prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, and GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Information regarding the City's Total OPEB Liability of its Retiree Health Care Plan is obtained from Public Agency Retirement Services (PARS) through reports prepared for the City by PARS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Deferred Outflows of Resources
In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

Deferred loss on refunding – these deferred outflows result from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Pensions/OPEB – these deferred outflows result from pension/OPEB contributions after the measurement date (deferred and recognized as a reduction of the pension/OPEB liability in the following fiscal year); changes in actuarial assumptions and/or differences between expected and actual economic experience (deferred and amortized over the estimated average remaining lives of participants) and/or differences in projected and actual earnings on pension/OPEB assets (deferred and amortized over a closed five year period).

Deferred Inflows of Resources
In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources, which represents acquisitions of net assets that apply to future periods.

Deferred gain on refunding – these deferred inflows result from the difference in the debt's reacquisition price and its carrying value that was refunded. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Pensions/OPEB – Differences in expected and actual experience and differences in assumption changes are deferred and amortized over a closed period equal to the estimated average remaining lives of all employees provided pensions through the plan, while investment experience differences are amortized over a closed 5-year period.

Deferred Inflows from Leases
Collections of lease receivables, are deferred in both the governmental fund and government wide financial statements. These amounts are recognized in a systematic manner over the life of the lease.

Deferred Inflows from Unavailable Revenues
In addition to liabilities, the governmental funds balance sheet reports deferred inflows from receivables that were not collected within 60 days of year-end. The deferred inflow from receivables balances and changes are reported as a reconciling amount to the statements of net position and activities. Deferred inflows from leases are also reported on the governmental fund balance sheet.

Fund Equity
The City classifies governmental fund balances as follows:

1. Nonspendable fund balance – includes amounts that are not in a spendable form or are required to be maintained intact (example – inventory or permanent funds).
2. Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation (example – court technology and court security funds).
3. Committed fund balance – includes amounts that can only be used for specific purposes determined by City Council (example – capital projects and police expenditures).
4. Assigned fund balance – comprises amounts intended to be used by the City for specific purposes. Intent can be expressed by the City Council or their designee (Chief Financial Officer). In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund (example – facility maintenance and economic investments).
5. Unassigned fund balance – is the residual classification of the General Fund and includes all amounts not contained in other classifications.

The City has also adopted the following policies:

Committed Fund Balance - The City Council is the City's highest level of decision-making authority and approval by ordinance is required to establish, modify, or rescind a fund balance commitment. The ordinance must either be approved or rescinded, as applicable, prior to the last day of the fiscal year. The amount subject to the constraint may be determined in the subsequent period.

Assigned Fund Balance - The City Council has authorized the City's Chief Financial Officer as the official authorized to assign fund balance to a specific purpose as approved by this fund balance policy.

Unassigned Fund Balance - It is the goal of the City to maintain a fund balance in the General Fund, equal to a minimum of 15% of General Fund budgeted operating expenditures, with the optimum goal of 25%. The City considers a balance of less than 15% to be cause for concern, barring unusual or deliberate circumstances.

It is the goal of the City to maintain 60 days of working capital in the Water and Sewer Enterprise Fund, with the optimum goal of 90 days of working capital.

The City shall also maintain all reserve funds for all statutorily required reserve funds to guarantee debt service.

Order of Expenditure of Funds - When multiple categories of fund balance are available for expenditures, the City will start with the most restricted category and spend those funds first before moving to the next category with available funds (restricted, committed, assigned and unassigned).

During fiscal year 2006, the City began assigning funds for strategic initiatives. The source of these funds is reserves in excess of 25% of General Fund expenditures. The funds will be used for one-time high impact projects involving infrastructure maintenance, community enhancement and capital acquisition and are reported as assigned fund balance in the General Fund.

As of September 30, 2023, the City had the governmental fund balances categorized as follows:

	GENERAL	GENERAL OBLIGATION DEBT SERVICE	GENERAL CAPITAL PROJECTS	SOUTHLAKE PARKS DEVELOPMENT CORPORATION	COMMUNITY ENHANCEMENT DEVELOPMENT CORPORATION SPECIAL REVENUE	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
FUND BALANCES							
Nonspendable for:							
Inventories	$ 47,008	$ -	$ -	$ -	$ -	$ -	$ 47,008
Prepaid items	7,309	-	-	-	-	-	7,309
Restricted for:							
Debt service	-	2,993,263	-	-	-	2,638,758	5,632,021
Capital projects	-	-	34,698,804	-	-	-	34,698,804
Municipal court	-	-	-	-	-	859,689	859,689
Reinvestment zone	-	-	-	-	-	8,347,195	8,347,195
Parks and recreation	-	-	-	14,248,826	20,771,999	23,324,363	58,345,188
Storm water	-	-	-	-	-	2,162,574	2,162,574
Police	-	-	-	-	-	8,530,927	8,530,927
Library	-	-	-	-	-	19,534	19,534
Promotion of tourism	-	-	-	-	-	3,185,163	3,185,163
Committed for:							
Police	-	-	-	-	-	1,601,369	1,601,369
Parks and recreation	-	-	-	-	-	57,448	57,448
Assigned for:							
Teen Court	21,862	-	-	-	-	-	21,862
Senior Center	11,486	-	-	-	-	-	11,486
Recycling	70,977	-	-	-	-	-	70,977
Reforestation	153,918	-	-	-	-	-	153,918
Public art	610,439	-	-	-	-	-	610,439
Facility maintenance	11,843,299	-	-	-	-	-	11,843,299
Economic investment	3,225,478	-	-	-	-	-	3,225,478
Strategic initiatives	15,383,080	-	-	-	-	-	15,383,080
Capital projects	-	-	27,706,556	-	-	-	27,706,556
Unassigned	17,594,609	-	-	-	-	-	17,594,609
TOTAL FUND BALANCES	$ 48,969,465	$ 2,993,263	$ 62,405,360	$ 14,248,826	$ 20,771,999	$ 50,727,020	$ 200,115,933

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Deficit Fund Balance

There are no deficit fund balances reported as of September 30, 2023.

New Accounting Pronouncements
The GASB pronouncements effective in fiscal year 2023 and beyond are listed as follows:

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing these relationships and availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The requirements of this Statement have no impact on the City's financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, provides guidance on the accounting and financial reporting for SBITAs for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. The City has implemented this Statement in fiscal year 2023.

GASB Statement No. 99, *Omnibus 2022*, enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement related to extension of use of London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended and terminology updates related to Statements No. 53 and 63 were implemented in the prior fiscal year. All other requirements of this Statement have been implemented in fiscal year 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62, enhances the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City is currently evaluating the impact of this Statement.

GASB Statement No. 101, *Compensated Absences*, will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The City is currently evaluating the impact of this Statement.

Subsequent Events
The City has evaluated all events or transactions that occurred after September 30, 2023 through March 14, 2024, the date the financial statements were available to be issued. During this period, there were no subsequent events requiring disclosure.

Note 2. Cash and Investments

The funds of the City must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At September 30, 2023, the carrying amount of the City's on demand deposits was $21,945,957 and the bank balance was $22,474,420. As of September 30, 2023, none of the City's deposits were uncollateralized.

The following legal and contractual provisions govern deposits and investments:

> The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies.

Among other things, the Public Funds Investment Act (PFIA) requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) and bid solicitation preferences for certificates of deposit.

Statutes and the City's investment policy authorized the City to invest in the following investments as summarized in the table below:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio
U.S. Government securities	5 years	100%
Municipal obligations	5 years	50%
Repurchase agreements	90 days	50%
Certificates of deposit	5 years	100%
Bankers acceptances	270 days	20%
Commercial paper	270 days	20%
Money Market Mutual Funds	60 days*	50%
Eligible investment pools	N/A	100%
Insured deposit accounts	N/A	20%

*dollar weighted average maturity

The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

Cash and investments as of September 30, 2023, are classified in the accompanying financial statements as follows:

Primary Government:	
Cash and cash equivalents	$ 267,523,062
Restricted cash and cash equivalents	18,344,933
Restricted cash for customer deposits	298,337
Total primary government	286,166,332
Trust Fund:	
Investments at fair value	2,339,116
Total fiduciary funds	2,339,116
Total cash and investments	$ 288,505,448

Cash and investments of the primary government as of September 30, 2023 consist of the following:

Cash on hand	$ 4,350
Deposits with financial institutions	21,945,957
Investments at amortized cost	140,708,888
Investments at fair value	123,507,137
Total cash and investments	$ 286,166,332

Disclosures Relating to Interest Rate Risk
Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 60 days, thus reducing the interest rate risk. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric.

As of September 30, 2023, the City did not invest in any securities which are highly sensitive to interest rate fluctuations.

Disclosures Relating to Credit Risk
Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Rating as of Year End
U.S. Government securities	$ 19,874,165	N/A	AAA
Municipal bonds	4,403,687	A	AAA
Mutual funds	99,229,285	N/A	AAAm
TexStar	46,012,214	AAA / AAAm	AAAm
TexPool	54,581,754	AAA / AAAm	AAAm
Lonestar Investment Pool	26,236,769	AAA / AAAm	AAAm
Texas Class	13,878,151	AAA / AAAm	AAAm
Total	$ 264,216,025		

Concentration of Credit Risk
The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. As of September 30, 2023, the City investments other than external investment pools that represent 5% or more of the City's investments include mutual funds, municipal bonds, commercial paper and U.S. Government securities as described in the table in the following Custodial Credit Risk section.

Custodial Credit Risk
Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times. As of September 30, 2023, none of the City's cash deposits were uncollateralized.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The City has recurring fair value measurements as presented in the table below. The City's investment balances and weighted average maturity of such investments are as follows:

		Fair Value Measurements				
	Value at 9/30/23	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Percent of Total Investments	Weighted Average Maturity (Days)
Investments not subject to Fair Value						
Investment Pools						
TexPool	$ 54,581,754	$ -	$ -	$ -	21%	28
TexStar	46,012,214	-	-	-	17%	30
Lone Star	26,236,769	-	-	-	10%	27
Texas CLASS	13,878,151	-	-	-	5%	29
Investments by Fair Value Level						
U.S. Treasury Notes & Bonds	4,973,913		4,973,913		2%	39
U.S. Government securities	14,900,252	-	14,900,252	-	6%	130
Municipal Bonds	4,403,687	-	4,403,687	-	2%	225
Mutual Funds Short-Term Investments Trust	99,229,285	99,229,285	-	-	37%	28
Total	$ 264,216,025	$ 99,229,285	$ 24,277,852	$ -	100%	70

Mutual funds reported as level 1 are valued at the net asset value (NAV) of shares held by the City at year end. The NAV is a quoted price in an active market.

U.S. Government Securities, commercial paper and municipal bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Investment in State Investment Pools

The City is a voluntary participant in four investment pools: TexPool, TexStar, Texas CLASS and Lone Star.

State Comptroller of Public Accounts exercises responsibility over TexPool. This oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized costs rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

TexStar is administered by Hilltop Securities and JPMorgan Chase. TexStar is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity, and competitive yield. TexStar uses amortized costs rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in TexStar is the same as the value of TexStar shares.

Texas CLASS is organized under the Sixth Amended and Restated Trust Agreement in accordance with all the requirements contained in section 2256.016 of the Public Funds Investment Act. Texas CLASS is administered by Public Trust Advisors, LLC and all funds are held by the custodial agent, Wells Fargo N.A. Texas CLASS may invest in obligations of the U.S. or its agencies and instrumentalities; repurchase agreements; SEC-registered money market funds rated in the highest rating category by at least one NRSRO; and commercial paper rated A-1, P-1 or equivalent by two nationally recognized rating agencies. Texas CLASS is measured at fair value (i.e., net asset value).

The Lone Star Investment Pool (the Pool) is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Pool is governed by an 11 member Board of Trustees, consisting of individuals representing entities participating in the Pool. The fair value of the City's position in the Pool is the same as the value of the Pool shares.

Note 3. Receivables

Receivables at September 30, 2023, for the government's individual major, non-major, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	General	General Obligation Debt Service	General Capital Projects	SPDC Special Rev. Fund	CEDC Special Revenue
Receivables:					
Property taxes	$ 390,450	$ 85,971	$ -	$ -	$ -
Sales taxes	4,679,857	-	-	2,336,558	1,730,784
Franchise taxes	737,965	-	-	-	-
Accounts	-	-	-	38,456	-
Interest	28,258	853	19,363	3,500	5,605
Leases	940,596	-	-	38,271	-
Other	45,774	130	-	-	157,002
Gross receivables	6,822,900	86,954	19,363	2,416,785	1,893,391
Less: allowance	342,690	75,508	-	-	-
Net total receivables	$ 6,480,210	$ 11,446	$ 19,363	$ 2,416,785	$ 1,893,391

	Non-Major Governmental	Water and Sewer	Internal Service	Primary Government Total
Receivables:				
Property taxes	$ -	$ -	$ -	$ 476,421
Sales taxes	1,092,731	-	-	9,839,930
Franchise taxes	-	-	-	737,965
Accounts	217,002	7,486,879	-	7,742,337
Interest	14,671	20,489	2,983	95,722
Leases	-	-	-	978,867
Other	-	-	-	202,906
Gross receivables	1,324,404	7,507,368	2,983	20,074,148
Less: allowance	-	61,708	-	479,906
Net total receivables	$ 1,324,404	$ 7,445,660	$ 2,983	$ 19,594,242

The Water and Sewer Fund and the Storm Water Utility Fund accounts receivable include unbilled charges for services rendered through September 30, 2023, of $3,245,182.

Lease Receivables

The City is a lessor for non-cancelable leases of the right-to-use of land, buildings, and infrastructure for which the City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. The interest rates for the leases approximate 2.9% annually, and the terms range from 5 to 25 years. The lease receivables that exist at September 30, 2023, relate to leases whose terms expire between December 2023 and January 2028.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The City has $978,867 remaining in lease receivables and $944,303 remaining in deferred inflow as of September 30, 2023. The City recorded lease revenue including interest of $400,966 in the fiscal year.

As of September 30, 2023, the expected lease receipts through the expiration of all leases for which the City is a lessor is as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	$ 252,124	$ 26,968	$ 279,092
2025	226,422	20,247	246,669
2026	239,670	13,331	253,001
2027	213,636	6,016	219,652
2028	47,015	284	47,299
Total	$ 978,867	$ 66,846	$ 1,045,713

Note 4. Capital Assets

Capital asset activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Capital Acquisitions	Sales or Disposals	Adjustments/ Transfers	Ending Balance
Governmental Activities:					
Capital assets not being depreciated/amortized:					
Land	$ 96,956,849	$ 356,950	$ -	$ -	$ 97,313,799
Street infrastructure	232,358,551	592,026	-	-	232,950,577
Construction-in-progress	10,045,101	8,928,677	-	(1,777,897)	17,195,881
Total capital assets not being depreciated/amortized	339,360,501	9,877,653	-	(1,777,897)	347,460,257
Capital assets being depreciated/amortized:					
Land improvements	41,721,306	349,129	-	-	42,070,435
Buildings and building improvements	142,247,034	62,200	-	-	142,309,234
Public art	1,814,405	-	-	142,315	1,956,720
Equipment	21,920,658	4,597,845	(27,738)	15,317,603	41,808,368
Vehicles	15,317,603	-	-	(15,317,603)	-
Drainage infrastructure	64,168,812	6,598	-	1,635,582	65,810,992
Right-to-use assets:					
Lease equipment	545,069	264,171	(53,691)	-	755,549
Subscriptions	-	3,071,032	-	-	3,071,032
Total capital assets being depreciated/amortized	287,734,887	8,350,975	(81,429)	1,777,897	297,782,330
Accumulated depreciation/amortization:					
Land improvements	(26,189,569)	(1,827,291)	-	-	(28,016,860)
Buildings and building improvements	(33,167,020)	(3,188,259)	-	-	(36,355,279)
Public art	(1,172,753)	(96,655)	-	-	(1,269,408)
Equipment	(16,635,059)	(2,777,151)	27,738	(10,065,885)	(29,450,357)
Vehicles	(10,065,885)	-	-	10,065,885	-
Drainage infrastructure	(31,264,957)	(1,773,106)	-	-	(33,038,063)
Right-to-use assets:					
Lease equipment	(211,430)	(150,480)	53,691	-	(308,219)
Subscriptions	-	(704,116)	-	-	(704,116)
Total accumulated depreciation/amortization	(118,706,673)	(10,517,058)	81,429	-	(129,142,302)
Total capital assets being depreciated/amortized, net	169,028,214	(2,166,083)	-	1,777,897	168,640,028
Governmental activities capital assets, net	$ 508,388,715	$ 7,711,570	$ -	$ -	$ 516,100,285

	Beginning Balance	Capital Acquisitions	Sales or Disposals	Adjustments/ Transfers	Ending Balance
Business Type Activities:					
Capital assets not being depreciated/amortized:					
Land	$ 21,033,596	$ 414,198	$ -	$ -	$ 21,447,794
Construction-In-Progress	1,414,673	4,670,170	-	(565,262)	5,519,581
Total capital assets not being depreciated/amortized	22,448,269	5,084,368	-	(565,262)	26,967,375
Capital assets being depreciated/amortized:					
Buildings and building improvements	935,501	-	-	-	935,501
Equipment	2,498,009	14,466	-	511,817	3,024,292
Vehicles	511,817	-	-	(511,817)	-
Capacity rights	9,190,988	-	-	-	9,190,988
Distribution system	153,926,558	1,264,723	-	565,262	155,756,543
Total capital assets being depreciated/amortized	167,062,873	1,279,189	-	565,262	168,907,324
Accumulated depreciation/amortization:					
Buildings and building improvements	(797,540)	(30,318)	-	-	(827,858)
Equipment	(2,439,502)	(35,901)	-	(505,108)	(2,980,511)
Vehicles	(505,108)	-	-	505,108	-
Capacity rights	(4,990,775)	(183,820)	-	-	(5,174,595)
Distribution system	(83,303,515)	(4,898,148)	-	-	(88,201,663)
Total accumulated depreciation/amortization	(92,036,440)	(5,148,187)	-	-	(97,184,627)
Total capital assets being depreciated/amortized, net	75,026,433	(3,868,998)	-	565,262	71,722,697
Business type activities capital assets, net	$ 97,474,702	$ 1,215,370	$ -	$ -	$ 98,690,072

Depreciation/amortization expenses were charged as a direct expense to functions of the primary government as follows:

Governmental activities:	
General government	$ 2,584,421
Public safety	2,064,569
Public works	2,005,126
Culture and recreation	3,862,942
Total depreciation/amortization expense - governmental activities	$ 10,517,058
Business-type activities:	
Water and Sewer	$ 5,148,187

Note 5. Long-Term Debt

The City issues general obligation bonds, combination tax and revenue certificates of obligation and tax notes to provide for the acquisition and construction of major capital facilities and infrastructure. Combination tax and revenue certificates of obligation are issued for both governmental and business-type activities. General obligation bonds, governmental revenue bonds and tax notes pledge the full faith and credit of the City. Combination tax and revenue certificates of obligation are payable from the net revenues of the water and sewer system and general debt service tax.

In prior years, the City has legally defeased certain outstanding general obligation and revenue debt by placing funds into irrevocable trusts pledged to pay all future debt service payments of the refunded debt. Accordingly, a liability for the defeased debt issues is not included in the City's financial statements. As of September 30, 2023, the City had no additional outstanding bonds that were legally defeased.

As of September 30, 2023, the City had $9,881,821 in authorized but unissued general obligation bonds. The City does not anticipate the issuance of additional general obligation debt within the next twelve months.

General obligation bonds, certificates of obligation, tax notes, and governmental revenue bonds are as follows as of September 30, 2023:

General Obligation Bonds and Certificates of Obligation	Final Maturity	Interest Rates	Governmental	Business-Type
$11,300,000 Series 2012, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2032	3.0 - 4.25%	$ 3,070,000	$ 1,445,000
$9,965,000 Series 2012, General Obligation Refunding Bonds	2026	3.0 - 4.25%	2,470,000	30,000
$14,250,000 Series 2013, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2033	2.0 - 5.0%	-	1,445,000
$22,295,000 Series 2013, General Obligation Refunding Bonds	2026	2.0 - 5.0%	6,830,000	160,000
$21,330,000 Series 2014, General Obligation Refunding Bonds	2026	2.0 - 5.0%	185,000	345,000
$8,780,000 Series 2014, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2034	2.0 - 3.5%	-	2,730,000
$3,295,000 Series 2015, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2035	2.75 - 4.0%	-	2,245,000
$7,910,000 Series 2017, General Obligation Refunding Bonds	2028	3.0 - 4.0%	2,103,835	2,241,163
$5,400,000 Series 2017, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2037	2.25 - 5.0%	-	4,240,000
$4,205,000 Series 2018, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2038	3.0 - 4.0%	-	3,430,000
$17,290,000 Series 2019, General Obligation Refunding Bonds	2030	3.0 - 5.0%	3,305,000	4,275,000
$4,240,000 Series 2021, General Obligation Refunding Bonds	2031	1.21%	1,623,000	1,752,000
$8,595,000 Series 2022, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2037	4.0 - 5.0%	7,210,000	-
			$ 26,796,835	$ 24,338,163

Governmental Revenue Bonds	Final Maturity	Interest Rates	Governmental
$16,000,000 Series 2014, Southlake Parks Development Corporation, Sales Tax Revenue Refunding Bonds	2027	3%	$ 4,615,000
$24,450,000 Series 2016, Southlake Community Enhancement and Development Corporation, Sales Tax Revenue Bonds	2036	3.00 - 5.00%	18,625,000
$9,945,000 Series 2017, Southlake Community Enhancement and Development Corporation, Sales Tax Revenue Bonds	2036	2.00 - 5.00%	7,535,000
			$ 30,775,000

Governmental Tax Notes	Final Maturity	Interest Rates	Governmental
$3,753,000 Series 2021, Tax Notes	2026	0.83%	$ 2,023,000
$13,397,000 Series 2023, Tax Notes	2030	3.48%	13,397,000
			$ 15,420,000

During 2023, the City issued $13,397,000 of Tax Notes, Series 2023. The debt was issued for the purpose of construction of roadway capital improvement projects.

The following is a summary of long-term liability transactions for the year ended September 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One year
Governmental activities:					
General obligation bonds and certificates of obligation	$ 32,848,669	$ -	$ (6,051,834)	$ 26,796,835	$ 6,051,358
Sales tax revenue bonds	33,730,000	-	(2,955,000)	30,775,000	3,080,000
Tax notes	2,686,000	13,397,000	(663,000)	15,420,000	669,000
Bond premiums (discounts)	4,750,387	-	(795,266)	3,955,121	-
Total bonds payable	74,015,056	13,397,000	(10,465,100)	76,946,956	9,800,358
Total OPEB liability - SDBF	1,059,723	-	(331,417)	728,306	-
Net pension liability	1,332,735	16,985,509	-	18,318,244	-
Compensated absences	2,721,441	2,341,730	(2,359,919)	2,703,252	591,235
Financed purchase liabilities	405,368	-	(97,039)	308,329	99,853
Right-to-use lease liability	338,051	255,917	(145,064)	448,904	127,780
Subscription liability	-	3,031,188	(865,793)	2,165,395	764,364
Total governmental activities	$ 79,872,374	$ 36,011,344	$ (14,264,332)	$ 101,619,386	$ 11,383,590

Typically, liquidation of the liabilities for compensated absences, total OPEB, and net pension occurs within the General Fund, Community Enhancement Development Corporation Special Revenue Fund, and the Water and Sewer Enterprise Fund where the payroll costs are incurred.

Typically, liquidation of bonds payable occurs from the General Obligation Debt Service Fund, Southlake Parks Development Corporation Debt Service Fund, and Community Enhancement Development Corporation Debt Service Fund.

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One year
Business-type activities:					
General obligation bonds and certificates of obligation	$ 26,777,331	$ -	$ (2,439,168)	$ 24,338,163	$ 2,488,640
Bond premiums	1,735,426	-	(268,378)	1,467,048	-
Total bonds payable	28,512,757	-	(2,707,546)	25,805,211	2,488,640
Total OPEB liability - SDBF	82,972	-	(23,381)	59,591	-
Net pension liability	300,064	1,198,313	-	1,498,377	-
Compensated absences	117,215	139,097	(157,758)	98,554	32,658
Total business-type activities	$ 29,013,008	$ 1,337,410	$ (2,888,685)	$ 27,461,733	$ 2,521,298

The annual aggregate maturities for each bond type are as follows:

General Obligation Bonds and Certificates of Obligation

Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2024	$ 6,051,358	$ 919,280	$ 6,970,638
2025	6,298,304	675,660	6,973,964
2026	6,560,251	419,782	6,980,033
2027	1,632,198	259,470	1,891,668
2028	1,695,724	197,119	1,892,843
2029-2033	3,724,000	422,006	4,146,006
2034-2038	835,000	72,550	907,550
Total	$ 26,796,835	$ 2,965,867	$ 29,762,702

Sales Tax Revenue Bonds

Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2024	$ 3,080,000	$ 939,106	$ 4,019,106
2025	3,025,000	816,731	3,841,731
2026	2,790,000	706,256	3,496,256
2027	2,640,000	618,506	3,258,506
2028	1,890,000	550,556	2,440,556
2029-2033	10,355,000	1,853,006	12,208,006
2034-2038	6,995,000	322,553	7,317,553
Total	$ 30,775,000	$ 5,806,714	$ 36,581,714

Tax Notes

Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2024	$ 669,000	$ 539,802	$ 1,208,802
2025	804,000	472,395	1,276,395
2026	810,000	462,252	1,272,252
2027	3,115,000	402,967	3,517,967
2028	3,225,000	292,651	3,517,651
2029-2033	6,797,000	238,606	7,035,606
Total	$ 15,420,000	$ 2,408,673	$ 17,828,673

General Obligation Bonds and Certificates of Obligation

Fiscal Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2024	$ 2,488,640	$ 788,662	$ 3,277,302
2025	2,477,697	694,050	3,171,747
2026	2,565,748	598,818	3,164,566
2027	2,543,802	501,548	3,045,350
2028	2,633,276	408,500	3,041,776
2029-2033	8,174,000	1,103,606	9,277,606
2034-2038	3,455,000	226,019	3,681,019
Total	$ 24,338,163	$ 4,321,203	$ 28,659,366

The City has entered into multiple arrangements for the purpose of financing the purchase of various equipment. The City's arrangements incur interest at 2.9% annually, and have 5 year terms expiring in 2026.

The annual debt service requirement to amortize the financed purchase liabilities outstanding at September 30, 2023, are as follows:

Financed Purchase Liabilities

Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2024	$ 99,853	$ 8,942	$ 108,795
2025	102,748	6,046	108,794
2026	105,728	3,066	108,794
Total	$ 308,329	$ 18,054	$ 326,383

The City has entered into multiple lease agreements as lessee for the right-to-use equipment over the term of the lease. The City is required to make periodic payments at its incremental borrowing rate or the interest rate stated or implied within the leases. Effective October 1, 2021, the City implemented GASB Statement No. 87, *Leases*. At implementation of this statement, the City initially measured the lease liability at the present value of payments expected to be made during the remaining lease term.

The City's lessee arrangements incur interest at rates of approximately 2.9% annually; all of which are accounted for within the City's governmental activities. All such arrangements range between 3 and 5 years in length.

The annual debt service requirement to amortize the other lease liabilities outstanding at September 30, 2023, are as follows:

Lease Liabilities

Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2024	$ 127,780	$ 8,126	$ 135,906
2025	126,751	5,085	131,836
2026	92,027	2,159	94,186
2027	40,370	1,106	41,476
2028	32,268	601	32,869
2029	29,708	294	30,002
Total	$ 448,904	$ 17,371	$ 466,275

Subscription Based Information Technology Arrangements (SBITA)

The City has entered into multiple SBITAs that allow the right-to-use the SBITA vendor's information technology software over the subscription term. The City is required to make annual or monthly payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. The SBITA rate, term and ending subscription liability are as follows:

	Interest Rate(s)	Liability at Commencement	SBITA Term in Months	Ending Balance
Governmental activities				
Software	2.240% - 3.257%	3,031,188	21 - 107	$ 2,165,395
Total governmental activities				$ 2,165,395

The future principal and interest SBITA payments as of fiscal year end are as follows:

Fiscal Year Ending	Principal	Interest	Total
2024	$ 764,364	$ 64,308	$ 828,672
2025	615,512	42,021	657,533
2026	269,633	23,748	293,381
2027	156,211	15,478	171,689
2028	137,117	10,768	147,885
2029 - 2031	222,558	9,118	231,676
Total governmental activities	$ 2,165,395	$ 165,441	$ 2,330,836

The value of the subscription assets as of the end of the current fiscal year was $3,071,032 and had accumulated amortization of $704,116.

Note 6. Transfers

All interfund transfers between the various funds are approved supplements to the operations of those funds. Individual fund transfers for fiscal year 2023 were as follows:

	Transfers in:						
	General Fund	General Obligation Debt Service Fund	General Capital Projects Fund	Nonmajor Governmental Funds	Water and Sewer Enterprise Fund	Vehicle and Equipment Replacement Fund	Total transfers
Transfers out:							
General Fund	$ -	$ -	$ 8,600,000	$ 100,000	$ 67,091	$ 3,200,000	$ 11,967,091
Southlake Parks Development Corporation Fund	408,593	-	-	9,284,383	-	-	9,692,976
Community Enhancement and Development Corporation Fund	478,930	-	-	3,822,206	-	-	4,301,136
Nonmajor Governmental Funds	553,829	402,554	945,000	1,130,000	-	-	3,031,383
Water and Sewer Enterprise Fund	1,403,560	-	-	-	-	-	1,403,560
Total transfers	$ 2,844,912	$ 402,554	$ 9,545,000	$ 14,336,589	$ 67,091	$ 3,200,000	$ 30,396,146

During the year, interfund transfers were used for the following recurring items:

- To allocate indirect charges from the General Fund to the Southlake Parks Development Corporation, Water and Sewer Enterprise Fund, and other nonmajor governmental funds.
- To move revenues from the fund with collection authorization to the General Obligation Debt Service Fund and other nonmajor debt service funds as debt service principal and interest payments become due.
- To move funding for vehicle and equipment replacement from the General Fund to the internal service fund.
- To fund the annual subsidy for commercial vehicle enforcement.

Further, during the year ended September 30, 2023, the City made the following one-time transfers:

- Transfer of $8,500,000 from the General Fund to the General Capital Projects Fund for infrastructure projects.
- Transfer of $100,000 from the General Fund to the General Capital Projects Fund for public art projects.
- Transfer of $6,500,000 from the Southlake Parks Development Corporation to the Southlake Parks Development Corporation Capital Projects Fund for parks projects.
- Transfer of $1,375,000 from the Community Enhancement and Development Corporation to the Community Enhancement and Development Corporation Capital Projects Fund for community enhancement projects.
- Transfer of $1,130,000 from nonmajor governmental funds to the Crime Control District Capital Projects Fund for crime control district projects.
- Transfer of $945,000 from nonmajor governmental funds to the General Capital Projects Fund for infrastructure projects.
- Transfer of $67,091 from the General Fund to the Water and Sewer Enterprise Fund to move revenue to the appropriate fund.

Note 7. Retirement Plan

A. Plan Description

The City participates as one of 919 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at *tmrs.com*.

All eligible employees of the City are required to participate in TMRS.

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the city-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service. A member is vested after 5 years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Employees covered by benefit terms.

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	171
Inactive employees entitled to but not yet receiving benefits	304
Active employees	352
	827

C. Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the Member's total compensation, and the city matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 12.56% and 12.46% in calendar years 2022 and 2023, respectively. The city's contributions to TMRS for the year ended September 30, 2023, were $3,879,580 and were greater than the required contributions by $87,516.

D. Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. The assumptions were adopted in 2019 and first used in the December 31, 2019, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other public and private markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge funds	5.0%	6.90%
Private Equity	10.0%	11.80%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2021	$ 129,296,554	$ 127,663,755	$ 1,632,799
Changes for the year:			
Service Cost	4,838,653	-	4,838,653
Interest	8,750,754	-	8,750,754
Change of benefit terms	-	-	-
Difference between expected and actual experience	1,059,885	-	1,059,885
Changes of assumptions	-	-	-
Contributions - employer	-	3,714,760	(3,714,760)
Contributions - employee	-	2,070,328	(2,070,328)
Net investment income	-	(9,335,205)	9,335,205
Benefit payments, including refunds of employee contributions	(4,150,172)	(4,150,172)	-
Administrative expense	-	(80,641)	80,641
Other changes	-	96,228	(96,228)
Net Changes	10,499,120	(7,684,702)	18,183,822
Balance at 12/31/2022	$ 139,795,674	$ 119,979,053	$ 19,816,621

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the city, calculated using the discount rate of 6.75%, as well as what the city's Net Pension Liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability	$ 41,676,615	$ 19,816,621	$ 2,081,726

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at trms.com.

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the City recognized pension expense of $5,667,661. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 1,138,771	$ -
Changes in actuarial assumptions	69,944	-
Difference between projected and actual investment earnings	8,283,395	-
Contributions subsequent to the measurement date	3,005,459	-
Total	$ 12,497,569	$ -

The $3,005,459 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended Sept. 30	
2024	$ 987,196
2025	2,367,315
2026	2,473,154
2027	3,664,445
Total	$ 9,492,110

Note 8. Other Postemployment Benefits (OPEB)

The City of Southlake provides for two other postemployment benefit (OPEB) plans; one provides for postemployment health insurance benefits through an agent-multiple employer defined benefit medical plan (Southlake Retiree Health Care Plan), and the other is the Texas Municipal Retirement System Supplemental Death Benefits Fund, a single employer defined benefit OPEB plan. Both plans are described in detail below. Aggregate amounts for the two OPEB plans are as follows:

	Retiree Healthcare Plan	TMRS SDBF	Total
OPEB liability (asset)	$ (452,288)	$ 787,897	$ 335,609
Deferred outflows of resources	811,737	200,503	1,012,240
Deferred inflows of resources	546,311	437,037	983,348
OPEB expense	(86,898)	53,634	(33,264)

City of Southlake Retiree Health Care Plan

Plan Description
The City provides other postemployment healthcare benefits in accordance with City policy. Administration of the City of Southlake Retiree Healthcare Plan trust is through Public Agency Retirement Services (PARS) with an IRC Section 115 Irrevocable Exclusive Benefit Trust. Trustee for the plan is US Bank. Ultimate authority for investment decisions and actions necessary to maintain the City's participation in the program resides with the City Manager, appointed as Plan Administrator through a 2009 resolution of the City Council. Investment strategy is currently through the City's selection of PARS Moderately Conservative High Mark Plus.

A third-party administrator is utilized to provide claims administration and payment of claims. Insurance is purchased to provide specific stop loss and aggregate stop loss protection. A separate financial statement is not issued for the plan.

Benefits Provided
Regular full-time employees retiring from the City of Southlake have the option to continue medical insurance coverage until the retiree becomes eligible for Medicare or is eligible to be covered under another medical plan. The City contributes $125 per month towards the premium for retiree insurance coverage or $225 towards the premium for retirees and dependents. Recommendations for plan benefits are presented to City Council for their approval during the annual budget process.

Employees Covered by Benefit Terms
The following table provides a summary of the number of participants in the plan as of December 31, 2022:

Inactive employees currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	-
Active Employees	339
	345

Contributions
The City's contributions during the fiscal year ending September 30, 2023 were $211,408 and were greater than the required contributions by $172,323. The benefit payments were determined in a manner similar to how the benefit payments for the measurement period were developed. The City, through its budgeting process, determines the annual contributions to the Plan based on the actuarially determined contribution and the availability of funds.

Net OPEB Asset
The City's total OPEB asset is based on an actuarial valuation performed as of December 31, 2022.

Actuarial Assumptions

The total OPEB asset in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Individual Entry-Age Normal
Single Discount Rate	5.00% as of December 31, 2022
Inflation rate	2.50% per year
Salary Increases	3.50% to 11.50% including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.
Healthcare Cost trend rates	Initial rate of 7.00% declining to ultimate rates of 4.25% after 15 years.
Participation Rates	30% of employees who retire at age 55 or older, or retire through disability retirement at any age, were assumed to maintain their health coverage after retirement.

Single Discount Rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 5.0%; the municipal bond rate is 1.84% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 5.0%.

The City's has consistently funded the actuarially determined employer contribution, which is based on a closed amortization policy. As a result, the plan's fiduciary net position is projected to be sufficient to pay benefits for all future years.

Changes in the Net OPEB Asset

	Total OPEB (Asset) Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB (Asset) Liability (a) - (b)
Balance at 12/31/2021	$ 1,833,044	$ 2,550,451	$ (717,407)
Changes for the year:			
Service Cost	120,612	-	120,612
Interest	92,533	-	92,533
Difference between expected and actual experience	(163,080)	-	(163,080)
Changes of assumptions	89,089	-	89,089
Contributions - employer	-	225,370	(225,370)
Net investment income	-	(343,355)	343,355
Benefit payments, including refunds of employee contributions	(85,370)	(85,370)	-
Administrative expense	-	(7,980)	7,980
Net Changes	53,784	(211,335)	265,119
Balance at 12/31/2022	$ 1,886,828	$ 2,339,116	$ (452,288)

Consistent with the requirements of GASB Statements No. 74, the employer contributions include "amounts for OPEB as the benefits come due that will not be reimbursed to the employer using OPEB plan assets." The $85,370 in benefit payments was paid by the City using its own assets.

The plan fiduciary net position is 139% of the total OPEB liability as of the measurement date, resulting in the net OPEB asset.

The benefit payments during the measurement period were determined as follows:

City's explicit subsidy	$ 12,625
City's implicit subsidy (explicit subsidy * 5.522)	72,745
Total benefit payments	$ 85,370

The 5.522 implicit factor equals the ratio of the expected implicit subsidy to the expected explicit subsidy.

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate and Healthcare Cost Trend Rates
Regarding the sensitivity of the net OPEB asset to changes in the Single Discount Rate, the following presents the plan's net OPEB asset, calculated using a discount rate of 5.00%, as well as what the plan's net OPEB asset would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease in Discount Rate (4.00%)	Discount Rate (5.00%)	1% Increase in Discount Rate (6.00%)
Net OPEB asset	$ (280,776)	$ (452,288)	$ (606,527)

Regarding the sensitivity of the net OPEB asset to changes in the healthcare cost trend rates, the following presents the plan's net OPEB asset, calculated using the assumed trend rates as well as what the plan's net OPEB asset would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease	Current Healthcare Cost Rate Assumption	1% Increase
Net OPEB asset	$ (635,302)	$ (452,288)	$ (236,267)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
For the year ended December 31, 2022, the City recognized OPEB expense of $(86,898). At September 30, 2023, the reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Economic Experiences	$ 13,607	$ 376,091
Changes in Assumptions	291,511	170,220
Investment Experience	314,383	-
Contributions subsequent to the measurement date	192,236	-
	$ 811,737	$ 546,311

The $192,236 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will increase the net OPEB asset during the year ending September 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended Sept. 30	
2024	$ 24,330
2025	49,084
2026	68,741
2027	69,036
2028	(26,923)
Thereafter	(111,078)
Total	$ 73,190

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

The expected remaining service lives of all active employees in the plan were approximately 3,227 years. Additionally, the total plan membership (active employees and inactive employees) was 345. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 9.3548 years.

Additionally, differences between projected and actual earnings on OPEB plan investments should be recognized in OPEB expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the OPEB expense as a level dollar amount over the closed period identified above.

Other Post Employment Benefits Supplemental Death Benefit Fund

Plan Description
Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The City has elected to participate in the SDBF for its active members including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for City reporting.

Benefits Provided
The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of $7,500.

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	119
Inactive employees entitled to but not yet receiving benefits	81
Active Employees	352
	552

Contributions
The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

The retiree portion of contribution rates to the SDBF for the City was 0.05% and 0.06% in calendar years 2022 and 2023, respectively. The City's contributions to the SDBF for the year ended September 30, 2023 were $14,788, and were equal to the required contributions.

Total OPEB Liability
The City's Total OPEB Liability (TOL) was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions
The Total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Discount rate	4.05%
Retiree's share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.

Salary increases were based on a service-related table. Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Mortality rates for disabled retirees were based on 2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis with scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions used in the December 31, 2022 valuation were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were first adopted in 2019 and first used in the December 31, 2019 actuarial valuation.

The discount rate used to measure the Total OPEB Liability was 4.05% and was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

Changes in Total OPEB Liability

	Total OPEB Liability
Balances as of 12/31/2021	$ 1,142,695
Changes for the year:	
Service cost	79,856
Interest	21,624
Difference between expected and actual experience	26,255
Changes of assumptions	(467,745)
Contributions - employer	(14,788)
Net Changes	(354,798)
Balances as of 12/31/2022	$ 787,897

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.05%) or 1 percentage-point higher (5.05%) than the current rate:

	1% Decrease (3.05%)	Discount Rate (4.05%)	1% Increase (5.05%)
Total OPEB liability	$ 964,063	$ 787,897	$ 653,413

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of $53,634. At September 30, 2023, the City reported deferred outflows and inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experiences	$ -	$ (27,836)
Changes in actuarial assumptions	186,030	(409,201)
Contributions subsequent to the measurement date	14,473	-
	$ 200,503	$ (437,037)

The $14,473 reported as deferred outflows of resources related to the OPEB plan resulting from contributions subsequent to the measurement date will reduce the Total OPEB liability during the year ending September 30, 2024.

The other amounts reported as deferred outflows and inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

Fiscal Year Ended Sept. 30		
2024	$	(33,058)
2025		(41,875)
2026		(31,951)
2027		(56,169)
2028		(69,614)
Thereafter		(18,340)
Total	$	(251,007)

Note 9. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights are held in trust or under one or more annuity contracts described in Internal Revenue Code Section 401(f). Except as may otherwise be permitted or required by law, no assets or income of the plan shall be used for, or diverted to, purposes other than for the exclusive purpose of providing benefits for participants and their beneficiaries or defraying reasonable expenses of administration of the plan. In accordance with GASB 97, the plans as amended are not included in the City's financial statements.

Note 10. Risk Financing and Insurance

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year 1990, the City joined the Texas Municipal League Workers Compensation Joint Insurance Fund ("the Pool") for risks related to employees. Premiums are paid to the Pool, which retains a limit of loss. Reinsurance companies insure the risks beyond those limits. The City retains, as a risk, only the deductible amount of each policy. The City continues to carry commercial insurance with Texas Municipal League provided by Mutual of Omaha for other risks including general liability, property, and errors and omissions. There were no significant reductions in coverage in the past year and there were no settlements exceeding insurance coverage in any of the past three years.

Note 11. Commitments and Contingencies

The City has entered into various contracts with the Trinity River Authority (TRA) and other cities. Terms of the agreements provide the City will pay an amount equal to its proportional share of maintenance and operations and debt service based upon volumes of wastewater transported, treated, or disposed of. The City's proportional share of future costs under these contracts is indeterminable and has not been recorded. Payments to the TRA under these contracts for the year ended September 30, 2023 were $4,011,159.

The City has authorized various contracts obligating future funds of the City as the contracted services are performed. Significant amounts unexpended under such contracts at year-end are reflected as reserves for authorized contracts in the applicable funds.

The City has certain claims and litigation pending with respect to matters arising in the normal course of operations. City management is of the opinion that the settlement of these matters will not have a material adverse impact on the City's financial statements.

Note 12. Tax Abatement

The City enters into economic development agreements authorized under Chapter 380 of the Texas Local Government Code. These agreements are planning tools designed to stimulate economic activity, redevelopment, community improvement, and provide a return on investment for the community. These programs abate or rebate property and/or sales taxes and may include other incentive payments such as fee reductions or construction cost reimbursements. Economic development agreements are considered on a case-by-case basis by the City Council and generally contain recapture provisions, which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

Chapter 380 of the Texas Local Government Code allows the City to provide grants for the purpose of promoting local economic development. These grants are based on a percentage of property and/or sales tax received by the City. For the fiscal year ending September 30, 2023, the City rebated $236,989 in sales taxes, $136,003 in property taxes, and $556,662 in hotel occupancy taxes. The City also refunded $250,988 in public works, permit, and plan review fees and $943,606 in developer construction cost reimbursements for the fiscal year ending September 30, 2023.

Required Supplementary Information

Budgetary Comparison Schedules

City of Southlake, Texas **Exhibit A-1**

General Fund

Budgetary Comparison Schedule (GAAP Basis)

For the Fiscal Year Ended September 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Ad valorem taxes, penalties and interest	$ 26,990,927	$ 26,915,642	$ 26,578,947	$ (336,695)
Franchise taxes	2,969,000	2,993,190	3,656,895	663,705
Municipal sales and mixed beverage tax	19,908,000	19,908,000	22,790,698	2,882,698
License, permits and fees	1,512,100	1,668,200	2,101,778	433,578
Charges for services	1,901,470	2,006,129	2,098,618	92,489
Fines and forfeitures	952,700	798,000	795,072	(2,928)
Intergovernmental revenue	72,000	396,002	496,469	100,467
Investment income (losses)	36,550	1,259,700	2,088,292	828,592
Contributions	5,000	54,000	45,788	(8,212)
Miscellaneous	185,000	185,000	230,110	45,110
Total revenues	54,532,747	56,183,863	60,882,667	4,698,804
EXPENDITURES				
General government				
City secretary/mayor	626,040	635,932	586,176	49,756
City manager's office	1,102,636	1,129,452	1,107,936	21,516
Human resources	1,005,686	1,033,494	965,103	68,391
Support services	4,596,989	4,708,000	4,891,905	(183,905)
Economic development	361,748	361,748	332,109	29,639
Finance	2,008,960	1,920,224	1,847,819	72,405
Municipal court	855,746	832,831	799,731	33,100
Teen court	163,886	163,886	145,254	18,632
Information technology	4,448,800	4,989,208	3,635,409	1,353,799
Public safety				
Police services	8,610,351	8,429,762	8,263,315	166,447
Fire services	11,056,104	11,680,997	11,798,804	(117,807)
Public safety support	1,607,350	1,697,559	1,575,064	122,495
Public works				
Public works administration	2,461,558	2,514,533	2,340,428	174,105
Streets and drainage	1,305,334	1,219,983	1,163,500	56,483
Planning	1,290,249	1,285,722	1,245,423	40,299
Building inspection	1,244,279	1,279,692	1,209,322	70,370
Culture and recreation				
Community services	1,528,915	1,533,774	1,415,750	118,024
Parks and recreation	4,267,603	4,318,521	4,268,243	50,278
Library services	1,096,363	1,136,726	1,139,467	(2,741)
Capital Outlay	3,376,688	2,425,688	4,897,087	(2,471,399)
Debt Service				
Principal	-	-	918,815	(918,815)
Interest	-	-	24,257	(24,257)
Total expenditures	53,015,285	53,297,732	54,570,917	(1,273,185)
Excess of revenues over expenditures	1,517,462	2,886,131	6,311,750	3,425,619
OTHER FINANCING SOURCES (USES)				
Issuance of financed purchases	-	-	53,975	53,975
Issuance of subscriptions	-	-	2,608,340	2,608,340
Sale of capital assets	-	-	4,156	4,156
Transfers from other funds	2,707,410	2,844,912	2,844,912	-
Transfers to other funds	(11,700,000)	(11,967,091)	(11,967,091)	-
Total other financing sources (uses)	(8,992,590)	(9,122,179)	(6,455,708)	2,666,471
Net change in fund balance	(7,475,128)	(6,236,048)	(143,958)	6,092,090
Fund balances, beginning of year	49,113,423	49,113,423	49,113,423	-
FUND BALANCES, END OF YEAR	$ 41,638,295	$ 42,877,375	$ 48,969,465	$ 6,092,090

The Notes to the Budgetary Comparison Schedules are an integral part of this statement.

City of Southlake, Texas **Exhibit A-2**

Southlake Parks Development Corporation Operating Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Fiscal Year Ended September 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Municipal sales tax	$ 9,898,000	$ 9,898,000	$ 11,426,173	$ 1,528,173
Charges for services	153,824	153,824	116,376	(37,448)
Investment income (losses)	4,200	163,000	306,621	143,621
Total revenues	10,056,024	10,214,824	11,849,170	1,634,346
EXPENDITURES				
Community services	1,691,151	1,709,826	1,632,063	77,763
Capital outlay	228,200	316,944	291,744	25,200
Total expenditures	1,919,351	2,026,770	1,923,807	102,963
Excess of revenues over expenditures	8,136,673	8,188,054	9,925,363	1,737,309
OTHER FINANCING USES				
Transfers to other funds	(9,686,624)	(9,692,976)	(9,692,976)	-
Net change in fund balance	(1,549,951)	(1,504,922)	232,387	1,737,309
Fund balances, beginning of year,	14,016,439	14,016,439	14,016,439	-
FUND BALANCE, END OF YEAR	$ 12,466,488	$ 12,511,517	$ 14,248,826	$ 1,737,309

The Notes to the Budgetary Comparison Schedules are an integral part of this statement.

City of Southlake, Texas **Exhibit A-3**

Community Enhancement Development Corporation Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Fiscal Year Ended September 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Municipal sales tax	$ 7,423,500	$ 7,423,500	$ 8,463,832	$ 1,040,332
Charges for services	3,920,303	4,324,454	4,413,152	88,698
Investment income (losses)	5,500	165,015	632,339	467,324
Contributions	4,947	5,270	6,685	1,415
Miscellaneous	-	-	9,573	9,573
Total revenues	11,354,250	11,918,239	13,525,581	1,607,342
EXPENDITURES:				
Community services	5,442,174	5,442,174	5,097,866	344,308
Capital outlay	-	-	130,805	(130,805)
Debt Service				
Principal	-	-	21,862	(21,862)
Interest	-	-	1,143	(1,143)
Total expenditures	5,442,174	5,442,174	5,251,676	190,498
Excess of revenues over expenditures	5,912,076	6,476,065	8,273,905	1,797,840
OTHER FINANCING USES:				
Issuance of subscriptions	-	-	130,805	130,805
Transfers to other funds	(4,276,356)	(4,301,136)	(4,301,136)	-
Total other financing uses	(4,276,356)	(4,301,136)	(4,170,331)	130,805
Net changes in fund balance	1,635,720	2,174,929	4,103,574	1,928,645
Fund balances, beginning of year	16,668,425	16,668,425	16,668,425	-
FUND BALANCES, END OF YEAR	$ 18,304,145	$ 18,843,354	$ 20,771,999	$ 1,928,645

The Notes to the Budgetary Comparison Schedules are an integral part of this statement.

Budgetary Data

The City Council adheres to the following procedures in establishing the budgets reflected in the financial statements:

1. Each year the City Manager is required to submit to the City Council, between sixty and ninety days prior to the beginning of each fiscal year, a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayers' comments.

3. Prior to October 1, the budget is legally enacted by the City Council through passage of an ordinance.

4. Annual budgets are legally adopted for the General Fund, the Tax Increment Financing District, Community Enhancement Development Corporation, Crime Control District, Parks Dedication, Hotel Occupancy, Storm Water Utility, Red Light Camera, Parks and Recreation, Court Security, Court Technology, Library, Commercial Vehicle Enforcement, and Southlake Parks Development Corporation Special Revenue Funds and all Debt Service Funds on a basis consistent with accounting principles generally accepted in the United States of America. Formal budgetary integration is not employed for proprietary funds. However, the City does adopt an annual budget for those funds for managerial control.

5. During the fiscal year, the City Council may transfer funds allocated to a department to another department or re-estimate revenues or expenditures. The City Manager may transfer budgeted funds within a department. Expenditures should not exceed appropriations at the department level.

6. Budgetary data for the Police, Municipal Jury, Oil and Gas, Truancy Prevention, Disaster Recovery, and all Capital Projects Funds are not presented, as such funds are budgeted over the life of the respective project, and not on an annual basis. Budgetary information for the Proprietary Funds has not been presented since reporting on such budgets is not legally required.

7. General Fund reported expenditures in excess of appropriations for the year ended September 30, 2023 as follows:

    - Support services - ($183,905)
      Due to planned and approved developer reimbursement that was not budgeted because it was unclear when conditions for payment would be met.

    - Fire services - ($117,807)
      Due to additional salary and other personnel-related costs.

    - Library services - ($2,741)
    - Due to additional salary and other personnel-related costs.

    - Capital outlay - ($2,471,399)
      Due to implementation of GASB 96, not a true cash flow expenditure over budget.

    - Debt service: Principal - ($918,805)
      Due to implementation of GASB 96, not a true cash flow expenditure over budget.

    - Debt service: Interest - ($24,257)
      Due to implementation of GASB 96, not a true cash flow expenditure over budget.

Required Pension and OPEB Schedules

City of Southlake, Texas
Schedule of Changes in Net Pension Liability
and Related Ratios
Texas Municipal Retirement System
Last Nine Measurement Years

	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020
Total pension liability:			
Service cost	$ 4,838,653	$ 4,328,436	$ 4,289,132
Interest	8,750,754	8,133,486	7,554,362
Changes of benefit terms	-	-	-
Difference between expected and actual experience	1,059,885	426,450	39,572
Change in assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(4,150,172)	(3,847,375)	(2,798,825)
Net change in total pension liability	10,499,120	9,040,997	9,084,241
Total pension liability - beginning	129,296,554	120,255,557	111,171,316
Total pension liability - ending (a)	139,795,674	129,296,554	120,255,557
Plan fiduciary net position:			
Contributions - employer	3,714,760	3,348,713	3,322,051
Contributions - employee	2,070,328	1,871,403	1,829,612
Net investment income	(9,335,205)	14,591,844	7,731,319
Benefit payments, including refunds of employee contributions	(4,150,172)	(3,847,375)	(2,798,825)
Administrative expense	(80,641)	(67,416)	(49,969)
Other	96,228	462	(1,950)
Net change in plan fiduciary net position	(7,684,702)	15,897,631	10,032,238
Plan fiduciary net position - beginning	127,663,755	111,766,124	101,733,886
Plan fiduciary net position - ending (b)	119,979,053	127,663,755	111,766,124
Net pension liability - ending (a) - (b)	$ 19,816,621	$ 1,632,799	$ 8,489,433
Plan fiduciary net position as a percentage of total pension liability	85.82%	98.74%	92.94%
Covered payroll	$ 29,576,118	$ 26,441,262	$ 26,137,309
Net pension liability as a percentage of covered payroll	67.00%	6.18%	32.48%

Measurement Year 2019	Measurement Year 2018	Measurement Year 2017	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
$ 4,190,311	$ 3,919,389	$ 3,579,734	$ 3,482,384	$ 3,222,126	$ 2,906,949
6,945,183	6,379,342	5,865,601	5,393,997	5,090,308	4,779,462
-	-	-	-	-	-
250,630	537,249	213,937	179,076	102,364	(1,602,645)
324,280	-	-	-	760,500	-
(2,671,062)	(2,506,166)	(1,930,078)	(2,304,726)	(1,921,361)	(1,680,030)
9,039,342	8,329,814	7,729,194	6,750,731	7,253,937	4,403,736
102,131,974	93,802,160	86,072,966	79,322,235	72,068,298	67,664,562
111,171,316	102,131,974	93,802,160	86,072,966	79,322,235	72,068,298
3,212,690	2,992,110	2,682,629	2,595,919	2,425,455	2,283,310
1,773,541	1,673,450	1,520,518	1,480,965	1,409,008	1,340,870
13,337,326	(2,598,044)	10,284,603	4,588,256	97,252	3,463,018
(2,671,062)	(2,506,166)	(1,930,078)	(2,304,726)	(1,921,361)	(1,680,030)
(75,264)	(50,164)	(53,258)	(51,781)	(59,224)	(36,150)
(2,262)	(2,623)	(2,699)	(2,790)	(2,925)	(2,972)
15,574,969	(491,437)	12,501,715	6,305,843	1,948,205	5,368,046
86,158,917	86,650,354	74,148,639	67,842,796	65,894,591	60,526,545
101,733,886	86,158,917	86,650,354	74,148,639	67,842,796	65,894,591
$ 9,437,430	$ 15,973,057	$ 7,151,806	$ 11,924,327	$ 11,479,439	$ 6,173,707
91.51%	84.36%	92.38%	86.15%	85.53%	91.43%
$ 25,334,408	$ 23,710,761	$ 21,721,689	$ 21,156,637	$ 20,113,150	$ 19,154,225
37.25%	67.37%	32.92%	56.36%	57.07%	32.23%

City of Southlake, Texas **Exhibit A-5**

Schedule of Pension Contributions
Texas Municipal Retirement System
Last Nine Fiscal Years

	Actuarially Determined Contribution	Contribution in Relation of the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 2,439,627	$ 2,439,627	$ -	$ 20,034,712	12.18%
2016	2,508,791	2,632,209	(123,418)	21,551,426	12.21%
2017	2,580,380	2,654,303	(73,923)	21,525,552	12.33%
2018	2,829,615	2,894,219	(64,604)	23,132,172	12.51%
2019	3,101,504	3,182,749	(81,245)	25,156,408	12.65%
2020	3,131,667	3,201,451	(69,784)	25,202,798	12.70%
2021	3,244,987	3,297,682	(52,695)	26,156,402	12.61%
2022	3,547,858	3,610,307	(62,449)	28,738,669	12.56%
2023	3,792,064	3,879,580	(87,516)	31,070,964	12.49%

Note: The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City of Southlake, Texas **Exhibit A-6**

Schedule of Changes in Net OPEB Liability (Asset)
and Related Ratios
Southlake Net OPEB Liability (Asset) for Health Insurance
Last Six Measurement Years

	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
Total OPEB liability (asset):						
Service cost	$ 120,612	$ 80,561	$ 73,365	$ 66,950	$ 53,239	$ 55,061
Interest	92,533	97,367	114,848	108,953	87,706	84,496
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(163,080)	6,855	(337,496)	(1,262)	16,549	(3,965)
Change in assumptions	89,089	(217,142)	87,222	8,001	297,855	-
Benefit payments, including refunds of employee contributions	(85,370)	(83,319)	(81,362)	(75,967)	(75,843)	(76,779)
Net change in total OPEB liability (asset)	53,784	(115,678)	(143,423)	106,675	379,506	58,813
Total OPEB liability (asset) - beginning	1,833,044	1,948,722	2,092,145	1,985,470	1,605,964	1,547,151
Total OPEB liability (asset) - ending (a)	1,886,828	1,833,044	1,948,722	2,092,145	1,985,470	1,605,964
Plan fiduciary net position:						
Contributions - employer	225,370	323,319	321,362	165,967	172,843	116,779
Net investment income	(343,355)	117,346	201,804	207,145	(38,598)	121,500
Benefit payments, including refunds of employee contributions	(85,370)	(83,319)	(81,362)	(75,967)	(75,843)	(76,779)
Administrative expense	(7,980)	(7,918)	(6,098)	(5,348)	(4,389)	(3,483)
Net change in plan fiduciary net position	(211,335)	349,428	435,706	291,797	54,013	158,017
Plan fiduciary net position - beginning	2,550,451	2,201,023	1,765,317	1,473,520	1,419,507	1,261,490
Plan fiduciary net position - ending (b)	2,339,116	2,550,451	2,201,023	1,765,317	1,473,520	1,419,507
Net OPEB liability (asset)- ending (a) - (b)	$ (452,288)	$ (717,407)	$ (252,301)	$ 326,828	$ 511,950	$ 186,457
Plan fiduciary net position as a percentage of total OPEB liability (asset)	123.97%	139.14%	112.95%	84.38%	74.22%	88.39%
Covered payroll	$ 30,420,420	$ 27,287,214	$ 26,994,043	$ 26,143,074	$ 22,468,011	$ 20,607,676
Net OPEB liability (asset)as a percentage of covered payroll	-1.49%	-2.63%	-0.93%	1.25%	2.28%	0.90%

Note: Only six years of data is presented in accordance with GASB #75. Additional years' information will be displayed as it becomes available.

City of Southlake, Texas **Exhibit A-7**

Schedule of Contributions
Southlake Net OPEB Liability for Health Insurance
Last Six Fiscal Years

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation of the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	$ 89,240	$ 168,167	$ (78,927)	$ 23,132,172	0.73%
2019	89,240	177,639	(88,399)	24,537,271	0.72%
2020	140,254	301,318	(161,064)	24,988,882	1.21%
2021	142,458	332,082	(189,624)	25,882,453	1.28%
2022	144,728	229,678	(84,950)	29,572,038	0.78%
2023	39,085	211,408	(172,323)	31,894,347	0.66%

Note: The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City of Southlake, Texas **Exhibit A-8**

Schedule of Changes in the Total OPEB Liability
and Related Ratios
Texas Municipal Retirement System – Supplemental Death Benefits
Last Six Measurement Years

	Measurement 2022	Measurement 2021	Measurement 2020	Measurement 2019	Measurement 2018	Measurement 2017
Total OPEB liability:						
Service cost	$ 79,856	$ 66,103	$ 52,275	$ 38,002	$ 42,679	$ 34,755
Interest	21,624	21,646	24,403	25,388	23,155	21,919
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	26,255	(26,578)	(37,301)	(13,112)	(18,599)	-
Change in assumptions	(467,745)	38,907	156,506	149,523	(56,421)	62,407
Contributions - employer	(14,788)	(13,221)	(2,614)	(5,067)	(2,371)	(4,344)
Net change in total pension liability	(354,798)	86,857	193,269	194,734	(11,557)	114,737
Total OPEB liability - beginning	1,142,695	1,055,838	862,569	667,835	679,392	$ 564,655
Total OPEB liability - ending (a)	$ 787,897	$ 1,142,695	$ 1,055,838	$ 862,569	$ 667,835	$ 679,392
Covered employee payroll	$ 29,576,118	26,441,273	26,137,309	25,334,408	23,710,761	$ 21,721,689
Net pension liability as a percentage of covered employee payroll	2.66%	4.32%	4.04%	3.40%	2.82%	3.13%

Note: The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City of Southlake, Texas **Exhibit A-9**

Schedule of OPEB Contributions
Texas Municipal Retirement System – Supplemental Death Benefits
Last Six Fiscal Years

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation of the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	$ 2,846	$ 2,846	$ -	$ 23,132,172	0.01%
2019	3,965	3,965	-	25,156,408	0.02%
2020	3,206	3,206	-	25,202,798	0.01%
2021	10,272	10,272	-	26,156,403	0.04%
2022	21,326	21,326	-	28,738,669	0.07%
2023	15,327	15,327	-	31,070,964	0.05%

Note: The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City of Southlake, Texas **Exhibit A-10**

Condition Rating of Street System
September 30, 2023

	2023	2022	2021	City Required Minimum
International Roughness Index (IRI)	73.6	69.8	73.0	
Pavement Condition Index (PCI)	81.2	78.6	80.0	
Pavement Quality Index (PQI)	81.8	79.3	80.0	78.0

	Needed	Actual	Difference
2019	$ 1,000,000	$ 813,411	$ (186,589)
2020	1,100,000	1,100,285	285
2021	1,200,000	1,336,244	136,244
2022	1,900,000	1,706,384	(193,616)
2023	1,900,000	1,982,896	82,896

The City hired a consultant to implement a pavement management system (PMS) to cover all public streets within the City. The condition of street pavement is measured using the Standard for Roads Pavement Condition Index (SRPCI) as developed by the American Society for Testing and Materials (ASTM). The SRPCI is based on a weighted average of thirteen defects found in pavement surfaces. The consultant conducted a pavement condition survey on all City-owned streets. This consisted of a roughness survey and a surface distress survey, along with a deflection survey of selected roads. A present status analysis was conducted using data obtained from pavement condition survey to determine the International Roughness Index (IRI) and the Pavement Condition Index (PCI). These indices were then combined into the composite Pavement Quality Index (PQI). Values of PQI can range from 0 to 100. Typical values for a newly constructed pavement range from 95.0 to 100.0. The PQI level at which a pavement becomes in need of rehabilitation is typically in the 50.0 to 70.0 range. It was the City's policy to maintain a PQI of 73.0 until 2012 when the City increased the minimum PQI to 78.0. Needed maintenance is calculated based upon inspections and the PQI.

In accordance with GASB Statement No. 34, the City is required to report at least three complete condition assessments at transition using the modified approach. The condition assessments were completed by the City and concluded that the eligible infrastructure assets are being preserved at or above the condition level established by the City. Half of the City's public streets will be assessed annually to ensure all public streets are assessed every two years.

The City calculates needed maintenance of its street system annually. However, the scheduling of these road projects often crosses fiscal years. Therefore, actual maintenance may be less than the calculated needed maintenance in one fiscal year and greater than the calculated needed maintenance in the subsequent fiscal year.

Combining and Individual Fund Financial Statements and Schedules

Major Governmental Funds

General Obligation Debt Service Fund

The General Obligation Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general obligation bonds and interest from governmental resources.

City of Southlake, Texas **Exhibit B-1**

General Obligation Debt Service Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Ad valorem taxes, penalties, and interest	$ 5,943,869	$ 5,943,869	$ 5,886,605	$ (57,264)
Investment income (losses)	6,300	110,000	155,007	45,007
Total revenues	5,950,169	6,053,869	6,041,612	(12,257)
EXPENDITURES				
Debt Service				
Principal	5,795,832	5,795,832	5,795,832	-
Interest	954,600	954,600	942,467	12,133
Total expenditures	6,750,432	6,750,432	6,738,299	12,133
Excess (deficiency) of revenues over (under) expenditures	(800,263)	(696,563)	(696,687)	(124)
OTHER FINANCING SOURCES:				
Transfers from other funds	402,554	402,554	402,554	-
Total other financing sources	402,554	402,554	402,554	-
Net change in fund balance	(397,709)	(294,009)	(294,133)	(124)
Fund balance, beginning of year	3,287,396	3,287,396	3,287,396	-
FUND BALANCE, END OF YEAR	$ 2,889,687	$ 2,993,387	$ 2,993,263	$ (124)

Special Revenue Funds

The Special Revenue Funds are used to account for revenue sources that are legally restricted or committed to expenditures for specified purposes.

Police Fund –- Established to account for resources required to be utilized by the police department.

Parks and Recreation Fund – Established to account for resources restricted for use by the community services department.

Parks Dedication Fund – Established to account for resources restricted for use by the community services department.

Crime Control District Fund – Established to account for the operations of the Crime Control District, which was established for the financing and development of crime control within the City. The Crime Control Fund is funded primarily through the municipal sales taxes.

Hotel Occupancy Fund – Established to account for all revenues and expenditures relating to the hotel occupancy tax received by the City.

Storm Water Utility Fund – Established to account for fees collected for the purpose of improving, upgrading and maintaining the City's drainage system. The City is mandated by the Texas Commission on Environmental Quality (TCEQ) to develop and maintain a Storm Water Management Plan in order to address capacity and quality issues and protect its residents and their properties from possible flooding and pollution problems. Drainage fees are collected to fund the activities required to comply with TCEQ regulations.

Court Security Fund – Established to account for municipal court fees assessed to provide court security.

Court Technology Fund – Established to account for municipal court fees assessed to provide court technology.

Municipal Jury Fund – Established to account for municipal court fees assessed to provide jury services.

Library Fund – Established to account for resources donated for use by library services.

Red Light Camera Fund – Established to account for fees assessed for red light violations captured through the City's camera monitoring system.

Oil and Gas Fund- Established to account for permits fees and the related expenditures for oil and gas drilling.

Commercial Vehicle Enforcement Fund – Established to account for the fees assessed for commercial vehicle violations.

Truancy Prevention - Established to account for municipal court fees assessed to provide for juvenile case manager services.

Tax Increment Financing District – Established to account for the general operations of the TIF, which was formed to finance and make public improvements. The TIF is funded primarily through the assessment of ad valorem taxes.

Disaster Recovery - Established to account for grant awards to provide disaster relief.

Debt Service Funds

The Debt Service Funds are utilized to account for the accumulation of financial resources for, and the payment of, long-term debt principal, interest, and related costs arising from the issuance of bonds.

Southlake Parks Development Corporation Debt Service Fund – Established to accumulate resources to finance the debt service of debt issues of the Southlake Parks Development Corporation.

Community Enhancement and Development Corporation Debt Service Fund – Established to accumulate resources to finance the debt service of debt issues for the community entertainment and recreation center.

Capital Projects Funds

The Capital Projects Funds are utilized to account for financial resources to be used for the acquisition or construction of specified capital improvements (other than those financed by proprietary funds).

Southlake Parks Development Corporation Capital Projects Fund – Established to fund the acquisition and construction of park recreational facilities as approved by the SPDC board of directors. The fund has been funded primarily through the issuance of general obligation debt.

Community Enhancement and Development Corporation Capital Projects Fund - Established to fund the acquisition and construction of a community entertainment and recreation center as approved by the CEDC board of directors. The fund has been financed through the issuance of sales tax revenue bonds.

Crime Control District Capital Projects Fund – Established to account for the acquisition and construction of capital assets as approved by the District's board of directors. The fund has been funded primarily through the issuance of general obligation debt.

City of Southlake, Texas
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2023

	SPECIAL REVENUE			
	Police	Parks and Recreation	Parks Dedication	Crime Control District
ASSETS				
Cash and cash equivalents	$ 96,540	$ 216,447	$ 1,600,913	$ 4,689,014
Accounts receivable	-	-	-	-
Sales tax receivable	-	-	-	828,399
Interest receivable	28	62	456	1,340
TOTAL ASSETS	$ 96,568	$ 216,509	$ 1,601,369	$ 5,518,753
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 7,984	$ -	$ -	$ 79,243
Accrued liabilities	-	-	-	63,218
Retainage payable	-	-	-	-
Total liabilities	7,984	-	-	142,461
FUND BALANCES				
Restricted	88,584	216,509	-	5,376,292
Committed	-	-	1,601,369	-
Total fund balances	88,584	216,509	1,601,369	5,376,292
TOTAL LIABILITIES AND FUND BALANCES	$ 96,568	$ 216,509	$ 1,601,369	$ 5,518,753

SPECIAL REVENUE

Hotel Occupancy	Storm Water Utility	Court Security	Court Technology	Municipal Jury	Library	Red Light Camera
$ 3,070,534	$ 1,959,643	$ 455,130	$ 301,206	$ 1,905	$ 19,528	$ 311,057
-	217,002	-	-	-	-	-
264,332	-	-	-	-	-	-
875	559	130	86	1	6	89
$ 3,335,741	$ 2,177,204	$ 455,260	$ 301,292	$ 1,906	$ 19,534	$ 311,146
$ 138,831	$ 5,250	$ 2,512	$ 10,896	$ -	$ -	$ 71,648
11,747	9,380	1,891	-	-	-	-
-	-	-	-	-	-	-
150,578	14,630	4,403	10,896	-	-	71,648
3,185,163	2,162,574	450,857	290,396	1,906	19,534	239,498
-	-	-	-	-	-	-
3,185,163	2,162,574	450,857	290,396	1,906	19,534	239,498
$ 3,335,741	$ 2,177,204	$ 455,260	$ 301,292	$ 1,906	$ 19,534	$ 311,146

City of Southlake, Texas
Nonmajor Governmental Funds
Combining Balance Sheet - Continued
September 30, 2023

	SPECIAL REVENUE				
	Oil and Gas	Commercial Vehicle Enforcement	Truancy Prevention	Tax Increment Financing District	Disaster Recovery
ASSETS					
Cash and cash equivalents	$ 57,432	$ 212,080	$ 116,497	$ 9,318,088	$ -
Accounts receivable	-	-	-	-	-
Sales tax receivable	-	-	-	-	-
Interest receivable	16	60	33	2,657	-
TOTAL ASSETS	$ 57,448	$ 212,140	$ 116,530	$ 9,320,745	$ -
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ 958,209	$ -
Accrued liabilities	-	6,153	-	15,341	-
Retainage payable	-	-	-	-	-
TOTAL LIABILITIES	-	6,153	-	973,550	-
FUND BALANCES					
Restricted	-	205,987	116,530	8,347,195	-
Committed	57,448	-	-	-	-
TOTAL FUND BALANCES	57,448	205,987	116,530	8,347,195	-
TOTAL LIABILITIES AND FUND BALANCES	$ 57,448	$ 212,140	$ 116,530	$ 9,320,745	$ -

DEBT SERVICE		CAPITAL PROJECTS			
Southlake Parks Development Corporation	Community Enhancement Development Corporation	Southlake Parks Development Corporation	Community Enhancement Development Corporation	Crime Control District	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
$ 2,022,413	$ 615,592	$ 21,481,980	$ 2,269,860	$ 2,625,971	$ 51,441,830
-	-	-	-	-	217,002
-	-	-	-	-	1,092,731
577	176	6,124	647	749	14,671
$ 2,022,990	$ 615,768	$ 21,488,104	$ 2,270,507	$ 2,626,720	$ 52,766,234
$ -	$ -	$ 546,379	$ 8,020	$ 6,154	$ 1,835,126
-	-	-	-	-	107,730
-	-	96,358	-	-	96,358
-	-	642,737	8,020	6,154	2,039,214
2,022,990	615,768	20,845,367	2,262,487	2,620,566	49,068,203
-	-	-	-	-	1,658,817
2,022,990	615,768	20,845,367	2,262,487	2,620,566	50,727,020
$ 2,022,990	$ 615,768	$ 21,488,104	$ 2,270,507	$ 2,626,720	$ 52,766,234

City of Southlake, Texas

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2023

	SPECIAL REVENUE			
	Police	Parks and Recreation	Parks Dedication	Crime Control District
REVENUES				
Ad valorem taxes, penalties and interest	$ -	$ -	$ -	$ -
Municipal sales tax	-	-	-	3,050,459
Licenses, permits and fees	-	-	373,299	-
Fines and forfeitures	10,809	-	-	-
Charges for services	-	-	-	-
Grants	-	-	-	-
Investment income (losses)	3,938	8,398	58,572	170,543
Contributions	-	35,140	-	-
Miscellaneous	22,240	-	-	-
Total revenues	36,987	43,538	431,871	3,221,002
EXPENDITURES				
Current:				
General government				
Support services	-	-	-	-
Municipal court	-	-	-	-
Public safety				
Police services	72,854	-	-	1,698,546
Public works				
Streets and drainage	-	-	-	-
Cultural and recreation				
Community services	-	20,268	-	-
Library services	-	-	-	-
Promotion of culture and tourism	-	-	-	-
Intergovernmental				
Capital outlay	13,257	-	-	589,446
Debt service:				
Principal retirement	-	-	-	160,131
Interest and fiscal charges	-	-	-	12,031
Total expenditures	86,111	20,268	-	2,460,154
Excess (deficiency) of revenues over (under) expenditures	(49,124)	23,270	431,871	760,848
OTHER FINANCING SOURCES (USES)				
Issuance of subscriptions	-	-	-	251,198
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	(1,227,049)
Total other financing sources (uses)	-	-	-	(975,851)
Net change in fund balances	(49,124)	23,270	431,871	(215,003)
Fund balances, beginning of year	137,708	193,239	1,169,498	5,591,295
FUND BALANCES, END OF YEAR	$ 88,584	$ 216,509	$ 1,601,369	$ 5,376,292

SPECIAL REVENUE						
Hotel Occupancy	Storm Water Utility	Court Security	Court Technology	Municipal Jury	Library	Red Light Camera
$ -	$ -	$ -	$ -	$ -	$ -	$ -
2,185,990	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	28,106	23,155	565	-	-
-	1,606,564	-	-	-	-	-
-	-	-	-	-	-	-
106,511	55,280	17,325	11,633	(1)	658	12,343
-	-	-	-	-	12,201	-
-	-	-	-	-	-	-
2,292,501	1,661,844	45,431	34,788	564	12,859	12,343
-	-	-	-	-	-	-
-	-	29,890	55,772	350	-	-
-	-	-	-	-	-	105,035
-	522,694	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	7,929	-
863,647	-	-	-	-	-	-
40,845	-	-	-	-	-	-
4,847	-	2,241	-	-	-	-
1,141	-	271	-	-	-	-
910,480	522,694	32,402	55,772	350	7,929	105,035
1,382,021	1,139,150	13,029	(20,984)	214	4,930	(92,692)
40,845	-	-	-	-	-	-
-	-	-	-	-	-	-
(891,400)	(912,934)	-	-	-	-	-
(850,555)	(912,934)	-	-	-	-	-
531,466	226,216	13,029	(20,984)	214	4,930	(92,692)
2,653,697	1,936,358	437,828	311,380	1,692	14,604	332,190
$ 3,185,163	$ 2,162,574	$ 450,857	$ 290,396	$ 1,906	$ 19,534	$ 239,498

City of Southlake, Texas

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Continued
For the Year Ended September 30, 2023

	SPECIAL REVENUE				
	Oil and Gas	Commercial Vehicle Enforcement	Truancy Prevention	Tax Increment Financing District	Disaster Recovery
REVENUES					
Ad valorem taxes, penalties and interest	$ -	$ -	$ -	$ 9,834,043	$ -
Municipal sales tax	-	-	-	-	-
Licenses, permits and fees	-	-	-	-	-
Fines and forfeitures	-	17,746	28,232	-	-
Charges for services	-	-	-	-	-
Grants	-	-	-	-	254,541
Investment income (losses)	2,182	10,450	3,930	279,967	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL REVENUES	2,182	28,196	32,162	10,114,010	254,541
EXPENDITURES					
Current:					
General government					
Support services	-	-	-	1,579,012	-
Municipal court	-	-	-	-	-
Public safety					
Police services	-	155,912	-	396,792	-
Public works					
Streets and drainage	-	-	-	-	-
Cultural and recreation					
Community services	-	-	-	-	-
Library services	-	-	-	-	-
Promotion of culture and tourism	-	-	-	-	-
Intergovernmental				6,454,981	
Capital outlay	-	-	-	-	254,541
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
TOTAL EXPENDITURES	-	155,912	-	8,430,785	254,541
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,182	(127,716)	32,162	1,683,225	-
OTHER FINANCING SOURCES (USES)					
Issuance of subscriptions	-	-	-	-	-
Transfers from other funds	-	100,000	-	-	-
Transfers to other funds	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	100,000	-	-	-
NET CHANGE IN FUND BALANCES	2,182	(27,716)	32,162	1,683,225	-
FUND BALANCES, BEGINNING OF YEAR	55,266	233,703	84,368	6,663,970	-
FUND BALANCES, END OF YEAR	$ 57,448	$ 205,987	$ 116,530	$ 8,347,195	$ -

DEBT SERVICE		CAPITAL PROJECTS			
Southlake Parks Development Corporation	Community Enhancement Development Corporation	Southlake Parks Development Corporation	Community Enhancement Development Corporation	Crime Control District	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
$ -	$ -		$ -	$ -	$ 9,834,043
-	-	-	-	-	5,236,449
-	-	-	-	-	373,299
-	-	-	-	-	108,613
-	-	-	-	-	1,606,564
-	-	-	-	-	254,541
114,801	61,802	865,225	93,236	103,820	1,980,613
-	-	-	-	-	47,341
-	-	-	114,326	-	136,566
114,801	61,802	865,225	207,562	103,820	19,578,029
-	-	-	-	-	1,579,012
-	-	-	-	-	86,012
-	-	-	-	-	2,429,139
-	-	-	-	-	522,694
-	-	100,385	-	-	120,653
-	-	-	-	-	7,929
-	-	-	-	-	863,647
		-			6,454,981
-	-	2,043,717	450,193	110,351	3,502,350
2,334,000	1,540,000	-	-	-	4,041,219
455,417	904,206	-	-	-	1,373,066
2,789,417	2,444,206	2,144,102	450,193	110,351	20,980,702
(2,674,616)	(2,382,404)	(1,278,877)	(242,631)	(6,531)	(1,402,673)
-	-	-	-	-	292,043
2,784,383	2,447,206	6,500,000	1,375,000	1,130,000	14,336,589
-	-	-	-	-	(3,031,383)
2,784,383	2,447,206	6,500,000	1,375,000	1,130,000	11,597,249
109,767	64,802	5,221,123	1,132,369	1,123,469	10,194,576
1,913,223	550,966	15,624,244	1,130,118	1,497,097	40,532,444
$ 2,022,990	$ 615,768	$ 20,845,367	$ 2,262,487	$ 2,620,566	$ 50,727,020

City of Southlake, Texas **Exhibit C-3**

Police Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Fines and forfeitures	$ -	$ 10,809	$ 10,809	$ -
Investment income (losses)	-	2,400	3,938	1,538
Miscellaneous	-	22,240	22,240	-
Total revenues	-	35,449	36,987	1,538
EXPENDITURES				
Public safety				
IPolice services	86,061	86,061	72,854	13,207
Capital outlay	-	-	13,257	(13,257)
Total expenditures	86,061	86,061	86,111	(50)
Excess (deficiency) of revenues over (under) expenditures	(86,061)	(50,612)	(49,124)	1,488
Net change in fund balances	(86,061)	(50,612)	(49,124)	1,488
Fund balances, beginning of year	137,708	137,708	137,708	-
FUND BALANCES, END OF YEAR	$ 51,647	$ 87,096	$ 88,584	$ 1,488

City of Southlake, Texas **Exhibit C-4**

Parks and Recreation Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Investment income (losses)	$ 600	$ 5,000	$ 8,398	$ 3,398
Contributions	46,500	35,000	35,140	140
Total revenues	47,100	40,000	43,538	3,538
EXPENDITURES				
Cultural and recreation				
Community services	82,500	72,500	20,268	52,232
Total expenditures	82,500	72,500	20,268	52,232
Excess (deficiency) of revenues over (under) expenditures	(35,400)	(32,500)	23,270	55,770
Net change in fund balances	(35,400)	(32,500)	23,270	55,770
Fund balances, beginning of year	193,239	193,239	193,239	-
FUND BALANCES, END OF YEAR	$ 157,839	$ 160,739	$ 216,509	$ 55,770

City of Southlake, Texas **Exhibit C-5**

Parks Dedication Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Licenses, permits, and fees	$ 90,000	$ 373,300	$ 373,299	$ (1)
Investment income (losses)	500	35,000	58,572	23,572
Total revenues	90,500	408,300	431,871	23,571
Net change in fund balance	90,500	408,300	431,871	23,571
Fund balances, beginning of year	1,169,498	1,169,498	1,169,498	-
FUND BALANCES, END OF YEAR	$ 1,259,998	$ 1,577,798	$ 1,601,369	$ 23,571

City of Southlake, Texas **Exhibit C-6**

Crime Control District Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Municipal sales tax	$ 2,424,000	$ 2,424,000	$ 3,050,459	$ 626,459
Investment income (losses)	2,225	104,000	170,543	66,543
Total revenues	2,426,225	2,528,000	3,221,002	693,002
EXPENDITURES:				
Public safety				
Police services	2,501,884	2,486,198	1,698,546	787,652
Capital outlay	65,000	65,000	589,446	(524,446)
Debt service:				
Principal retirement	-	-	160,131	(160,131)
Interest and fiscal charges	-	-	12,031	(12,031)
Total expenditures	2,566,884	2,551,198	2,460,154	91,044
Excess (deficiency) of revenues over (under) expenditures	(140,659)	(23,198)	760,848	784,046
OTHER FINANCING SOURCES (USES):				
Issuance of subscriptions	-	-	251,198	251,198
Transfers to other funds	(1,227,049)	(1,227,049)	(1,227,049)	-
Total other financing (uses)	(1,227,049)	(1,227,049)	(975,851)	-
Net change in fund balance	(1,367,708)	(1,250,247)	(215,003)	784,046
Fund balances, beginning of year	5,591,295	5,591,295	5,591,295	-
FUND BALANCES, END OF YEAR	$ 4,223,587	$ 4,341,048	$ 5,376,292	$ 784,046

City of Southlake, Texas **Exhibit C-7**

Hotel Occupancy Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Municipal sales tax	$ 1,705,300	$ 2,000,000	$ 2,185,990	$ 185,990
Investment income (losses)	2,500	60,000	106,511	46,511
Total revenues	1,707,800	2,060,000	2,292,501	232,501
EXPENDITURES:				
Promotion of culture and tourism	965,493	965,493	863,647	101,846
Capital Outlay	-	-	40,845	(40,845)
Debt service:				
Principal retirement	-	-	4,847	(4,847)
Interest and fiscal charges	-	-	1,141	(1,141)
Total expenditures	965,493	965,493	910,480	55,013
Excess (deficiency) of revenues over (under) expenditures	742,307	1,094,507	1,382,021	287,514
OTHER FINANCING USES:				
Issuance of subscriptions	-	-	40,845	40,845
Transfers to other funds	(824,482)	(891,400)	(891,400)	-
Total other financing (uses)	(824,482)	(891,400)	(850,555)	-
Net change in fund balance	(82,175)	203,107	531,466	328,359
Fund balances, beginning of year	2,653,697	2,653,697	2,653,697	-
FUND BALANCES, END OF YEAR	$ 2,571,522	$ 2,856,804	$ 3,185,163	$ 328,359

City of Southlake, Texas **Exhibit C-8**

Storm Water Utility Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Charges for service	$ 1,591,500	$ 1,604,500	$ 1,606,564	$ 2,064
Investment income (losses)	500	30,000	55,280	25,280
Total revenues	1,592,000	1,634,500	1,661,844	27,344
EXPENDITURES:				
Public works				
Streets and drainage	732,373	610,941	522,694	88,247
Excess revenues over expenditures	859,627	1,023,559	1,139,150	115,591
OTHER FINANCING USES:				
Transfers to other funds	(911,234)	(912,934)	(912,934)	-
Net change in fund balance	(51,607)	110,625	226,216	115,591
Fund balances, beginning of year	1,936,358	1,936,358	1,936,358	-
FUND BALANCES, END OF YEAR	$ 1,884,751	$ 2,046,983	$ 2,162,574	$ 115,591

City of Southlake, Texas **Exhibit C-9**

Court Security Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Fines and forfeitures	$ 34,400	$ 25,000	$ 28,106	$ 3,106
Investment income (losses)	500	10,500	17,325	6,825
Total revenues	34,900	35,500	45,431	9,931
EXPENDITURES				
General government				
Municipal court	78,580	78,580	29,890	48,690
Debt service:				
Principal retirement	-	-	2,241	(2,241)
Interest and fiscal charges	-	-	271	(271)
Total expenditures	78,580	78,580	32,402	46,178
Excess (deficiency) of revenues over (under) expenditures	(43,680)	(43,080)	13,029	56,109
Net change in fund balance	(43,680)	(43,080)	13,029	56,109
Fund balances, beginning of year	437,828	437,828	437,828	-
FUND BALANCES, END OF YEAR	$ 394,148	$ 394,748	$ 450,857	$ 56,109

City of Southlake, Texas **Exhibit C-10**

Court Technology Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Fines and forfeitures	$ 27,500	$ 22,000	$ 23,155	$ 1,155
Investment income (losses)	500	7,000	11,633	4,633
Total revenues	28,000	29,000	34,788	5,788
EXPENDITURES				
General government				
Municipal court	59,500	59,500	55,772	3,728
Excess revenues over expenditures	(31,500)	(30,500)	(20,984)	9,516
Net change in fund balance	(31,500)	(30,500)	(20,984)	9,516
Fund balances, beginning of year	311,380	311,380	311,380	-
FUND BALANCES, END OF YEAR	$ 279,880	$ 280,880	$ 290,396	$ 9,516

City of Southlake, Texas **Exhibit C-11**

Library Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Investment income (losses)	$ 70	$ 400	$ 658	$ 258
Contributions	4,000	9,000	12,201	3,201
Total revenue	4,070	9,400	12,859	3,459
EXPENDITURES				
Cultural and recreation				
Library services	8,000	8,000	7,929	71
Excess (deficiency) of revenues over (under) expenditures	(3,930)	1,400	4,930	3,530
Net change in fund balance	(3,930)	1,400	4,930	3,530
Fund balances, beginning of year	14,604	14,604	14,604	-
FUND BALANCES, END OF YEAR	$ 10,674	$ 16,004	$ 19,534	$ 3,530

City of Southlake, Texas **Exhibit C-12**

Red Light Camera Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Investment income (losses)	$ 500	$ 7,600	$ 12,343	$ 4,743
EXPENDITURES:				
Public safety				
Police services	208,705	208,705	105,035	103,670
Excess (deficiency) of revenues over (under) expenditures	(208,205)	(201,105)	(92,692)	108,413
Net change in fund balance	(208,205)	(201,105)	(92,692)	108,413
Fund balances, beginning of year	332,190	332,190	332,190	-
FUND BALANCES, END OF YEAR	$ 123,985	$ 131,085	$ 239,498	$ 108,413

City of Southlake, Texas **Exhibit C-13**

Commercial Vehicle Enforcement
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Fines and forfeitures	$ 25,000	$ 15,000	$ 17,746	$ 2,746
Investment income (losses)	200	6,500	10,450	3,950
Total revenues	25,200	21,500	28,196	6,696
EXPENDITURES				
Public safety				
Police services	157,095	167,385	155,912	11,473
Excess (deficiency) of revenues over (under) expenditures	(131,895)	(145,885)	(127,716)	18,169
OTHER FINANCING SOURCES				
Transfers from other funds	100,000	100,000	100,000	-
Total other financing sources	100,000	100,000	100,000	-
Net change in fund balance	(31,895)	(45,885)	(27,716)	18,169
Fund balances, beginning of year	233,703	233,703	233,703	-
FUND BALANCES, END OF YEAR	$ 201,808	$ 187,818	$ 205,987	$ 18,169

City of Southlake, Texas **Exhibit C-14**

Tax Increment Financing District Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Ad valorem taxes, penalties and interest	$ 9,468,834	$ 9,834,043	$ 9,834,043	$ -
Investment income (losses)	3,990	170,000	279,967	109,967
Total revenues	9,472,824	10,004,043	10,114,010	109,967
EXPENDITURES				
General government:				
Support services	645,076	645,076	1,579,012	(933,936)
Public safety:				
Police services	385,506	385,506	396,792	(11,286)
Intergovernmental	6,051,811	6,454,981	6,454,981	-
Total expenditures	7,082,393	7,485,563	8,430,785	(945,222)
Excess of revenues over expenditures	2,390,431	2,518,480	1,683,225	(835,255)
Net change in fund balance	2,390,431	2,518,480	1,683,225	(835,255)
Fund balance, beginning of year	6,663,970	6,663,970	6,663,970	-
FUND BALANCE, END OF YEAR	$ 9,054,401	$ 9,182,450	$ 8,347,195	$ (835,255)

City of Southlake, Texas **Exhibit C-15**

Southlake Parks Development Corporation Debt Service Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET-POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Investment income (losses)	$ 1,900	$ 76,000	$ 114,801	$ 38,801
EXPENDITURES:				
Debt service:				
Principal retirement	2,334,000	2,334,000	2,334,000	-
Interest and fiscal charges	456,383	456,383	455,417	966
Total expenditures	2,790,383	2,790,383	2,789,417	966
Excess (deficiency) of revenues over (under) expenditures	(2,788,483)	(2,714,383)	(2,674,616)	39,767
OTHER FINANCING SOURCES:				
Transfers from other funds	2,784,383	2,784,383	2,784,383	-
Total other financing sources	2,784,383	2,784,383	2,784,383	-
Net change in fund balance	(4,100)	70,000	109,767	39,767
Fund balances, beginning of year	1,913,223	1,913,223	1,913,223	-
FUND BALANCES, END OF YEAR	$ 1,909,123	$ 1,983,223	$ 2,022,990	$ 39,767

City of Southlake, Texas **Exhibit C-16**

Community Enhancement Development Corporation Debt Service Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET-POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES:				
Investment income (losses)	$ 1,050	$ 40,000	$ 61,802	$ 21,802
EXPENDITURES:				
Debt service:				
Principal retirement	1,540,000	1,540,000	1,540,000	-
Interest and fiscal charges	907,206	907,206	904,206	3,000
TOTAL EXPENDITURES	2,447,206	2,447,206	2,444,206	3,000
Excess (deficiency) of revenues over (under) expenditures	(2,446,156)	(2,407,206)	(2,382,404)	24,802
OTHER FINANCING SOURCES:				
Transfers from other funds	2,447,206	2,447,206	2,447,206	-
Total other financing sources	2,447,206	2,447,206	2,447,206	-
Net change in fund balance	1,050	40,000	64,802	24,802
Fund balances, beginning of year	550,966	550,966	550,966	-
FUND BALANCES, END OF YEAR	$ 552,016	$ 590,966	$ 615,768	$ 24,802

Statistical Section

City of Southlake, Texas

Statistical Section (Unaudited)

This part of the City of Southlake's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.

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These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity....144

These tables contain information to help the reader assess the City's two most significant local revenue source, the property and sales taxes.

Debt Capacity....148

These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information....152

These tables offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information....154

These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.

City of Southlake, Texas
Net Position by Component
(Accrual Basis of Accounting)
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	$ 338,303,633	$ 366,796,228	$ 364,161,725	$ 385,506,389
Restricted	15,092,604	13,624,164	11,589,350	49,850,439
Unrestricted	58,732,145	59,447,800	80,992,079	45,930,426
Total governmental activities net position	$ 412,128,382	$ 439,868,192	$ 456,743,154	$ 481,287,254
Business-type activities				
Net investment in capital assets	$ 73,126,147	$ 78,143,445	$ 79,055,138	$ 82,251,014
Restricted	2,140,022	3,151,309	6,817,038	7,804,197
Unrestricted	13,945,038	10,509,498	12,487,875	15,721,755
Total business-type activities net position	$ 89,211,207	$ 91,804,252	$ 98,360,051	$ 105,776,966
Primary government				
Net investment in capital assets	$ 411,429,780	$ 444,939,673	$ 443,216,863	$ 467,757,403
Restricted	17,232,626	16,775,473	18,406,388	57,654,636
Unrestricted	72,677,183	69,957,298	93,479,954	61,652,181
Total primary governmental net position	$ 501,339,589	$ 531,672,444	$ 555,103,205	$ 587,064,220

Source: Annual Comprehensive Financial Report

Table 1

Fiscal Year					
2018	2019	2020	2021	2022	2023
$ 392,406,812	$ 399,651,828	$ 415,945,257	$ 432,717,828	$ 444,246,656	$ 450,639,461
28,492,591	32,690,100	25,518,844	39,870,051	99,360,585	121,858,264
78,585,681	87,753,906	96,924,423	95,211,152	62,641,199	66,478,023
$ 499,485,084	$ 520,095,834	$ 538,388,524	$ 567,799,031	$ 606,248,440	$ 638,975,748
$ 83,461,157	$ 83,223,713	$ 76,271,158	$ 77,068,608	$ 77,774,937	$ 75,167,644
8,980,312	6,215,686	10,555,032	10,966,728	9,877,167	8,464,094
17,935,009	21,579,170	29,619,463	36,831,318	45,903,642	62,370,816
$ 110,376,478	$ 111,018,569	$ 116,445,653	$ 124,866,654	$ 133,555,746	$ 146,002,554
$ 475,867,969	$ 482,875,541	$ 492,216,415	$ 509,786,436	$ 522,021,593	$ 525,807,105
37,472,903	38,905,786	36,073,876	50,836,779	109,237,752	130,322,358
96,520,690	109,333,076	126,543,886	132,042,470	108,544,841	128,848,839
$ 609,861,562	$ 631,114,403	$ 654,834,177	$ 692,665,685	$ 739,804,186	$ 784,978,302

City of Southlake, Texas

Changes in Net Position
(Accrual Basis of Accounting)
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year		
	2014	2015	2016
Expenses			
Governmental activities:			
General government	$ 13,417,904	$ 14,602,425	$ 12,851,787
Public safety	18,245,617	18,176,698	19,300,590
Public works	8,870,998	9,762,184	11,950,671
Culture and recreation	8,948,841	9,311,006	10,655,763
Interest on long-term debt	5,097,036	2,528,113	3,005,359
Total governmental activities expenses	54,580,396	54,380,426	57,764,170
Business-type activities:			
Water and sewer	25,030,426	26,692,373	24,741,428
Total business-type activities expenses	25,030,426	26,692,373	24,741,428
Total primary government expenses	$ 79,610,822	$ 81,072,799	$ 82,505,598
Program Revenues			
Governmental activities:			
Charges for Services:			
General government	$ 2,657,883	$ 2,309,861	$ 2,363,499
Public safety	3,907,068	4,427,137	4,620,030
Public works	360,529	265,432	223,533
Culture and recreation	1,379,658	1,399,822	1,537,185
Operating grants and contributions	443,157	455,575	310,636
Capital grants and contributions	4,436,346	8,967,466	2,228,863
Total governmental activities program revenues	13,184,641	17,825,293	11,283,746
Business-type activities:			
Charges for services:			
Water and sewer	23,591,438	24,792,619	25,474,777
Capital grants and contributions	3,510,936	5,776,438	1,638,842
Total business-type activities program revenues	27,102,374	30,569,057	27,113,619
Total primary government program revenues	$ 40,287,015	$ 48,394,350	$ 38,397,365
Net (Expenses) Revenue			
Governmental activities	$ (41,395,755)	$ (36,555,133)	$ (46,480,424)
Business-type activities	2,071,948	3,876,684	2,372,191
Total primary government net expenses	$ (39,323,807)	$ (32,678,449)	$ (44,108,233)
General Revenues and Other Changes in Net Position			
Governmental activities:			
General revenues:			
Property taxes	$ 33,099,007	$ 33,176,285	$ 34,501,608
Sales taxes	26,623,661	30,090,614	29,047,285
Franchise taxes	2,841,025	3,327,739	2,955,114
Investment income (losses)	482,607	523,954	379,342
Gain (Loss) on sale of capital assets	99,109	102,900	102,960
Miscellaneous	639,571	1,066,818	136,477
Transfers	915,116	968,160	(3,767,400)
Total governmental activities	64,700,096	69,256,470	63,355,386
Business-type activities:			
Interest on investments	101,469	112,967	94,837
Gain (Loss) on sale of capital assets	-	23,100	317,276
Transfers	(915,116)	(968,160)	3,767,400
Miscellaneous	6,963	4,521	4,095
Total business-type activities	(806,684)	(827,572)	4,183,608
Total primary government	$ 63,893,412	$ 68,428,898	$ 67,538,994
Change in Net Position			
Governmental activities	$ 23,304,341	$ 32,701,337	$ 16,874,962
Business-type activities	1,265,264	3,049,112	6,555,799
Total primary government	$ 24,569,605	$ 35,750,449	$ 23,430,761

Source: Annual Comprehensive Financial Report

Table 2

Fiscal Year						
2017	2018	2019	2020	2021	2022	2023
$ 17,430,052	$ 18,255,444	$ 20,014,583	$ 21,275,487	$ 20,990,841	$ 20,685,238	$ 19,837,190
21,179,963	23,962,971	23,881,485	24,054,527	23,642,969	24,915,801	26,658,917
8,979,020	10,040,453	10,081,721	9,839,646	9,122,951	10,111,585	12,108,564
11,780,022	12,775,020	15,955,201	17,665,953	15,367,103	16,970,272	25,112,091
3,834,897	3,047,221	2,750,037	2,171,359	2,076,809	1,979,546	2,071,867
63,203,954	68,081,109	72,683,027	75,006,972	71,200,673	74,662,442	85,788,629
24,703,007	29,068,434	29,873,788	27,490,815	25,730,741	28,397,036	28,506,292
24,703,007	29,068,434	29,873,788	27,490,815	25,730,741	28,397,036	28,506,292
$ 87,906,961	$ 97,149,543	$ 102,556,815	$ 102,497,787	$ 96,931,414	$ 103,059,478	$ 114,294,921
$ 2,262,247	$ 2,895,701	$ 2,498,549	$ 1,631,816	$ 1,733,148	$ 1,957,434	$ 1,712,925
3,929,564	2,495,288	3,001,895	2,536,553	2,166,430	803,365	774,891
143,935	1,635,163	1,724,344	1,824,434	1,658,723	4,287,138	3,477,348
1,814,319	1,301,793	2,145,128	2,993,552	3,387,430	4,477,031	5,664,775
328,288	459,006	866,518	1,807,473	894,423	8,736,294	825,770
7,714,765	1,044,834	1,437,166	1,422,315	5,882,015	2,653,556	2,382,770
16,193,118	9,831,785	11,673,600	12,216,143	15,722,169	22,914,818	14,838,479
27,939,504	32,229,361	29,929,932	32,271,341	32,071,140	37,241,976	37,630,965
3,851,057	2,367,774	896,652	1,315,092	3,332,452	1,376,002	2,064,296
31,790,561	34,597,135	30,826,584	33,586,433	35,403,592	38,617,978	39,695,261
$ 47,983,679	$ 44,428,920	$ 42,500,184	$ 45,802,576	$ 51,125,761	$ 61,532,796	$ 54,533,740
$ (47,010,836)	$ (58,249,324)	$ (61,009,427)	$ (62,790,829)	$ (55,478,504)	$ (51,747,624)	$ (70,950,150)
7,087,554	5,528,701	952,796	6,095,618	9,672,851	10,220,942	11,188,969
$ (39,923,282)	$ (52,720,623)	$ (60,056,631)	$ (56,695,211)	$ (45,805,653)	$ (41,526,682)	$ (59,761,181)
$ 37,705,796	$ 40,380,926	$ 41,734,946	$ 41,973,780	$ 41,660,369	$ 41,392,861	$ 42,315,760
29,968,331	30,822,431	31,868,204	32,119,114	38,461,312	43,723,490	47,917,152
2,907,537	2,972,143	3,114,117	2,811,573	2,671,726	2,988,874	3,656,895
843,082	2,108,804	3,247,401	1,721,876	101,746	(475,934)	7,934,301
71,284	-	-	-	-	-	4,156
216,881	-	476,577	1,222,231	709,736	804,354	512,725
(157,975)	1,211,036	1,178,932	1,234,945	1,284,122	1,360,830	1,336,469
71,554,936	77,495,340	81,620,177	81,083,519	84,889,011	89,794,475	103,677,458
167,068	320,473	868,227	566,411	32,272	(171,020)	2,594,308
350	-	-	-	-	-	-
157,975	(1,211,036)	(1,178,932)	(1,234,945)	(1,284,122)	(1,360,830)	(1,336,469)
3,968	4,166	-	-	-	-	-
329,361	(886,397)	(310,705)	(668,534)	(1,251,850)	(1,531,850)	1,257,839
$ 71,884,297	$ 76,608,943	$ 81,309,472	$ 80,414,985	$ 83,637,161	$ 88,262,625	$ 104,935,297
$ 24,544,100	$ 19,246,016	$ 20,610,750	$ 18,292,690	$ 29,410,507	$ 38,046,851	$ 32,727,308
7,416,915	4,642,304	642,091	5,427,084	8,421,001	8,689,092	12,446,808
$ 31,961,015	$ 23,888,320	$ 21,252,841	$ 23,719,774	$ 37,831,508	$ 46,735,943	$ 45,174,116

City of Southlake, Texas **Table 3**

Fund Balances, Governmental Funds
(Modified Accrual Basis of Accounting)
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	$ 46,008	$ 27,826	$ 86,286	$ 57,997	$ 86,286	$ 63,189	$ 40,839	$ 69,373	$ 401,529	$ 54,317
Committed for:										
Police expenditures	28,647	34,609	-	46,657	-	-	-	-	-	-
Assigned for:										
Teen Court expenditures	18,832	19,077	19,835	19,684	19,835	20,427	20,693	20,721	20,882	21,862
Senior Center expenditures	10,623	10,624	10,743	10,671	10,743	10,938	11,064	11,074	11,042	11,486
Recycling	34,609	40,612	59,163	52,811	59,163	66,253	70,395	76,458	138,291	70,977
Reforestation expenditures	44,098	101,873	111,728	112,300	111,728	63,030	35,150	54,847	96,012	153,918
Public art	-	-	-	-	678,829	835,991	500,819	364,046	441,984	610,439
Facility maintenance	-	-	-	-	6,708,556	7,222,995	8,813,795	9,351,441	10,064,326	11,843,299
Economic investment	-	-	-	-	2,237,211	2,282,718	3,525,280	2,870,637	2,950,994	3,225,478
Strategic initiatives	7,980,605	7,673,680	5,297,998	6,052,063	5,299,595	7,585,671	10,603,712	15,096,120	20,306,807	15,383,080
Unassigned	16,399,991	18,230,317	19,762,633	18,745,735	11,799,021	12,517,340	14,022,976	15,810,846	14,681,556	17,594,609
Total general fund	$ 24,563,413	$ 26,138,618	$ 25,348,386	$ 25,097,918	$ 27,010,967	$ 30,668,552	$ 37,644,723	$ 43,725,563	$ 49,113,423	$ 48,969,465
All Other Governmental Funds*										
Nonspendable	$ -	$ -	$ -	$ -	$ 50,177	$ -	$ -	$ -	$ -	$ -
Restricted for:										
Debt Service	12,150,184	11,057,196	9,005,985	8,029,607	7,750,782	8,419,008	7,102,145	5,594,579	5,751,585	5,632,021
Capital projects	-	-	-	-	-	-	-	-	26,395,656	34,698,804
Municipal court expenditures	860,556	878,490	838,458	868,393	851,104	847,247	739,828	775,437	835,268	859,689
Reinvestment zone expenditures	4,422,565	4,010,195	3,851,783	1,954,971	923,093	2,925,977	4,999,895	5,641,893	6,663,970	8,347,195
Parks and recreation	53,053,840	41,949,791	72,654,652	78,664,646	40,726,831	24,372,567	9,381,019	24,792,059	47,632,465	58,345,188
Storm water	-	-	-	-	-	-	1,789,612	1,255,873	1,936,358	2,162,574
Police expenditures	-	-	-	-	-	-	-	-	7,791,993	8,530,927
Library expenditures	-	-	-	-	-	-	-	-	14,604	19,534
Promotion of culture and tourism	-	-	-	-	-	-	1,834,337	2,089,422	2,653,697	3,185,163
Committed for:										
Police expenditures	5,532,996	7,813,849	4,986,804	3,645,226	4,743,948	5,254,694	5,256,684	6,549,013	1,169,498	1,601,369
Parks and recreation	8,020,248	10,720,498	11,125,967	17,968,695	8,904,671	8,815,413	11,121,825	1,793,351	55,266	57,448
Oil and gas expenditures	53,160	53,168	53,227	53,404	53,719	54,754	55,424	55,541	-	-
Storm water expenditures	450,824	451,371	4,856,336	453,374	456,388	465,180	-	-	-	-
Library expenditures	7,967	8,832	7,132	7,432	8,338	9,528	11,323	12,725	-	-
Capital projects	-	-	-	-	34,285,874	44,554,528	45,315,086	44,304,341	-	-
Assigned for:										
Capital projects	-	-	-	-	-	-	-	-	19,442,768	27,706,556
Unassigned	-	-	-	-	-	-	(175,833)	-	-	-
Total all other governmental funds	$ 84,552,340	$ 76,943,390	$ 107,380,344	$ 111,645,748	$ 98,704,748	$ 95,718,896	$ 87,431,345	$ 92,864,234	$ 120,343,128	$ 151,146,468

Source: Annual Comprehensive Financial Report

Notes: [a] Includes encumbrances and prepaid items.

* The City started splitting parks and recreation with storm water and promotion of culture and tourism in 2020

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City of Southlake, Texas

Table 4

Changes in Fund Balances, Governmental Funds
(Modified Accrual Basis of Accounting)
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES										
Ad valorem taxes, penalties and interest	$ 33,174,810	$ 33,294,062	$ 34,445,902	$ 37,688,372	$ 40,484,511	$ 41,744,243	$ 41,980,391	$ 41,675,661	$ 41,429,872	$ 42,299,595
Franchise taxes	2,841,025	3,327,739	2,955,114	2,907,537	2,972,143	3,114,117	2,811,573	2,671,726	2,988,874	3,656,895
Municipal sales tax and mixed beverage tax	26,623,661	30,090,614	29,047,285	29,968,331	30,822,431	31,868,204	32,119,114	38,461,312	43,723,490	47,917,152
Licenses, permits and fees	3,925,956	4,385,000	4,590,477	4,103,003	2,184,965	3,161,228	2,868,166	2,041,189	3,071,428	2,475,077
Charges for services	1,778,003	1,849,747	1,797,676	1,909,922	1,984,377	4,970,991	5,013,769	5,783,552	7,104,883	8,234,710
Fines and forfeitures	2,374,221	1,943,406	2,011,137	1,969,180	2,040,036	1,798,033	968,495	954,809	1,213,211	903,685
Intergovernmental revenue	214,152	90,428	128,489	100,899	2,108,228	124,141	1,737,849	760,658	9,974,795	1,545,199
Capital recovery fees	474,172	866,782	1,237,552	308,095	376,004	621,715	693,293	232,525	773,745	466,928
Investment income (losses)	457,820	490,551	71,411	118,956	2,044,822	3,123,081	1,634,301	96,183	(448,117)	7,485,826
Contributions	130,564	112,409	383,732	859,199	97,644	198,449	82,225	72,565	242,645	110,067
Miscellaneous	552,544	672,333	528,093	544,727	481,919	341,934	1,544,346	836,962	324,548	512,725
Total revenues	72,546,928	77,123,071	77,196,868	80,478,221	85,597,080	91,066,136	91,453,522	93,587,142	110,399,374	115,607,859
EXPENDITURES										
General government	8,629,250	8,974,058	9,301,750	9,608,516	11,053,010	12,988,724	13,233,455	14,236,006	13,493,594	15,976,466
Public safety	16,924,285	16,968,939	17,376,310	18,520,588	19,806,464	21,145,351	21,534,858	22,015,080	22,719,906	24,066,322
Public works	6,303,749	5,332,402	5,483,131	19,112,170	23,225,431	5,687,428	7,834,577	7,177,205	8,861,496	10,287,273
Culture and recreation	7,227,628	7,441,366	8,456,526	8,783,323	8,026,149	21,815,043	13,226,045	11,202,609	13,118,278	14,545,618
Intergovernmental	3,834,118	4,478,312	4,623,919	5,348,444	6,045,218	6,123,926	7,214,798	6,049,200	5,934,584	6,454,981
Capital outlay	14,623,962	21,349,324	8,658,067	4,800,627	12,214,328	8,285,716	15,951,425	11,521,223	11,601,162	15,026,038
Debt service										
Principal retirement	11,930,280	14,489,311	13,394,604	13,258,185	12,220,242	8,385,059	9,896,675	10,341,201	8,645,737	10,777,728
Interest and fiscal charges	4,982,567	3,894,535	3,796,740	4,084,086	3,695,048	3,175,731	3,108,014	2,629,585	2,321,838	2,436,839
Total expenditures	74,455,839	82,928,247	71,091,047	83,515,939	96,285,890	87,606,978	91,999,847	85,172,109	86,696,595	99,571,265
Excess (deficiency) of revenues over (under) expenditures	(1,908,911)	(5,805,176)	6,105,821	(3,037,718)	(10,688,810)	3,459,158	(546,325)	8,415,033	23,702,779	16,036,594
OTHER FINANCING SOURCES (USES)										
Sale of property	1,521	3,271	-	-	-	6,019	-	27,288	52,124	4,156
Issuance of tax notes payable	-	-	-	-	-	-	-	3,753,000	-	13,397,000
Issuance of general obligation bonds	4,380,000	-	-	-	-	-	-	-	-	-
Premium (Discount) on issuance of refunding bonds	-	-	-	884,928	-	1,329,086	-	-	8,595,000	-
Issuance of sales tax revenue bonds	-	-	24,450,000	9,945,000	-	-	-	-	-	-
Issuance of refunding bonds	23,400,000	-	-	3,830,000	-	10,860,000	-	1,989,000	-	-
Issuance of financed purchase obligation	-	-	-	-	-	-	-	-	514,162	53,975
Issuance of subscriptions	-	-	-	-	-	-	-	-	-	3,031,188
Premium (Discount) on issuance of general obligation bonds	1,301,376	-	2,168,153	-	-	-	-	-	737,765	-
Payment to refund bond escrow agent	(25,547,122)	-	-	(4,309,151)	-	(12,311,639)	-	(1,954,804)	-	-
Transfer from other funds	20,498,983	21,925,067	23,584,605	23,332,602	23,056,973	17,941,263	15,937,424	14,161,081	28,575,100	27,129,055
Transfer to other funds	(20,383,867)	(22,156,907)	(28,352,005)	(24,940,577)	(23,345,937)	(20,662,331)	(16,702,479)	(14,876,959)	(29,714,270)	(28,992,586)
Total other financing sources (uses)	3,650,891	(228,569)	21,850,753	8,742,802	(288,964)	(2,837,602)	(765,055)	3,098,606	8,759,881	14,622,788
NET CHANGE IN FUND BALANCES	$ 1,741,980	$ (6,033,745)	$ 27,956,574	$ 5,705,084	$ (10,977,774)	$ 621,556	$ (1,311,380)	$ 11,513,639	$ 32,462,660	$ 30,659,382
Debt service as a percentage of noncapital expenditures	27.7%	29.1%	27.0%	25.5%	21.8%	16.1%	17.1%	17.6%	14.6%	15.6%

Source: Annual Comprehensive Financial Report

City of Southlake, Texas **Table 5**

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Estimated Market Value		Less:	Total Taxable Assessed	
	Real Property	Personal Property	Tax-Exempt Property	Value	Total Direct Tax Rate
2014	$ 5,935,122,961	$ 588,389,191	$ 638,106,472	$ 5,885,405,680	0.46200
2015	6,341,625,915	614,607,452	756,399,951	6,199,833,416	0.46200
2016	6,635,586,201	542,023,423	1,039,819,893	6,137,789,731	0.46200
2017	7,556,442,291	543,192,799	1,364,174,169	6,735,460,921	0.46200
2018	8,254,704,348	602,971,804	1,683,599,421	7,174,076,731	0.46200
2019	9,002,807,317	614,999,492	1,845,495,105	7,772,311,704	0.44700
2020	9,653,389,547	659,212,511	1,967,287,039	8,345,315,019	0.41000
2021	9,802,447,688	667,695,748	2,040,326,726	8,429,816,710	0.40500
2022	10,643,270,202	653,950,010	2,094,175,854	9,203,044,358	0.39000
2023	12,463,083,634	668,386,843	2,280,735,668	10,850,734,809	0.36000

Source: Tarrant Appraisal District

City of Southlake, Texas **Table 6**

Direct and Overlapping Property Tax Rates (Per $100 of Assessed Value)
Last Ten Fiscal Years
(Unaudited)

	City Direct Rates			Overlapping Rates			
Fiscal Year	Operating/ General Rate	General Obligation Debt Service	Total Direct	Carroll Independent School District	Tarrant County	Tarrant County Hospital District	Tarrant County College District
2014	0.34200	0.12000	0.46200	1.40000	0.264000	0.227897	0.149500
2015	0.34200	0.12000	0.46200	1.40000	0.264000	0.227897	0.149500
2016	0.36200	0.10000	0.46200	1.39500	0.264000	0.227897	0.149500
2017	0.36200	0.10000	0.46200	1.39000	0.254000	0.227897	0.144730
2018	0.36200	0.10000	0.46200	1.38500	0.244000	0.224429	0.140060
2019	0.35700	0.09000	0.44700	1.38000	0.234000	0.224429	0.136070
2020	0.33000	0.08000	0.41000	1.30000	0.234000	0.224429	0.130170
2021	0.33000	0.07500	0.40500	1.28640	0.234000	0.224429	0.130170
2022	0.32500	0.06500	0.39000	1.26860	0.229000	0.224429	0.130170
2023	0.29500	0.06500	0.36000	1.21880	0.224000	0.224429	0.130170

Source: Tarrant Appraisal District

City of Southlake, Texas **Table 7**

Principal Property Tax Payers
Current Year and Nine Years Ago
(Unaudited)

2023			2014		
Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value[a]	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value[b]
Town Square Ventures LP	$ 235,528,626	2.17%	Verizon Wireless Texas LLC	$ 177,921,915	3.02%
Cellco Partnership	114,233,083	1.05%	Town Square Ventures LP	116,505,690	1.98%
TD Ameritrade Services Company INC	82,935,654	0.76%	SLTS Grand Avenue/II LP	73,544,854	1.25%
SC Southlake Owner LLC	66,858,035	0.62%	Wyndham Properties Ltd	52,366,496	0.89%
Carroll/1709 LTD	56,721,930	0.52%	Sabre Headquarters LLC	45,538,556	0.77%
Excel Southlake LP	50,505,178	0.47%	Carroll/1709 Ltd	44,199,577	0.75%
3503 RP Southlake Corners Kimball LP	47,999,900	0.44%	H & C Southlake Hilton LLC	30,000,000	0.51%
1400 Plaza Place Southlake Owner LLC	42,222,000	0.39%	Inland Western Southlake Corners Ltd	27,700,000	0.47%
DSL Landlord II LLC	37,702,272	0.35%	Cambridge 114 Inc	20,924,941	0.36%
MCI Communications Svcs Inc	36,802,911	0.34%	Costco Wholesale Corporation	20,309,231	0.35%
Total	$ 771,509,589	7.11%	Total	$ 609,011,260	10.35%
Total Assessed Valuation	$ 10,850,734,809	100.00%	Total Assessed Valuation	$ 5,885,405,680	100.00%

Source: Tarrant Appraisal District

Notes: [a]Taxpayers are assessed on January 1, 2022 (2022 tax year) for the 2023 fiscal year.
[b]Taxpayers are assessed on January 1, 2017 (2017 tax year) for the 2018 fiscal year.

City of Southlake, Texas **Table 8**

Ad Valorem Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	$ 27,136,997	$ 26,865,897	99.00	$ 71,124	$ 26,937,021	99.26
2015	27,791,839	27,556,790	99.15	106,959	27,663,749	99.54
2016	28,965,792	28,684,131	99.03	169,955	28,854,086	99.61
2017	31,410,934	31,054,006	98.86	95,328	31,149,334	99.17
2018	33,358,429	32,975,600	98.85	62,938	33,038,538	99.04
2019	34,957,519	34,486,820	98.65	12,206	34,499,026	98.69
2020	34,109,141	33,572,469	98.43	84,975	33,657,444	98.68
2021	34,329,457	33,833,652	98.56	(107,814)	33,725,838	98.24
2022	34,526,168	34,013,771	98.52	(57,965)	33,955,806	98.35
2023	34,929,247	34,409,848	98.51	-	34,409,848	98.51

Source: Tarrant County Tax Office

City of Southlake, Texas **Table 9**

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

	Governmental Activities							Business-Type Activities					
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Revenue Bonds	Tax Notes	Financed Purchases	Leases	Subscriptions	General Obligation Bonds	Certificates of Obligation	Contract Revenue Obligations	Total Primary Government	Percentage of Personal Income[a]	Per Capita[a]
2014	$ 45,355,674	$ 41,553,855	$ 27,150,000	$ -	-	-	-	$ 18,923,955	$ 28,009,860	$ 1,100,000	$ 162,093,344	10.93	$ 5,910
2015	40,847,363	33,182,855	25,540,000	-	-	-	-	15,422,270	30,035,860	750,000	145,778,348	9.03	5,238
2016	40,733,282	29,511,905	48,330,000	-	-	-	-	12,974,232	29,143,202	385,000	161,077,621	9.30	5,694
2017	39,022,933	18,706,525	57,207,643	-	-	-	-	13,846,422	28,963,708	-	157,747,231	8.08	5,358
2018	30,112,187	11,050,000	53,605,000	-	-	-	-	9,187,813	30,550,000	-	134,505,000	6.14	4,547
2019	40,949,900	6,606,486	44,592,458	-	-	-	-	14,816,097	22,463,654	-	129,428,595	6.01	4,270
2020	33,224,148	6,172,109	41,767,697	-	-	-	-	12,678,798	21,352,753	-	115,195,505	5.29	3,793
2021	27,428,338	3,782,833	38,832,936	3,753,000	-	-	-	12,916,025	18,217,805	-	104,930,937	4.84	3,363
2022	22,757,701	12,783,180	35,788,175	2,686,000	405,368	338,051	-	11,319,357	17,193,400	-	103,271,232	4.12	3,271
2023	17,925,536	10,953,008	32,648,415	15,420,000	308,329	448,904	2,165,395	9,676,216	16,128,995	-	105,674,798	4.09	3,305

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[a]See Table 13 for personal income and population data.

City of Southlake, Texas **Table 10**

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

	General Bonded Debt Outstanding						
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	Less: Available Debt Service Funds	Net General Bonded Debt	Percentage of Actual Taxable Value of Property[a]	Per Capita[b]
2014	$ 64,279,629	$ 69,563,715	$ 133,843,344	$ 9,809,483	$ 124,033,861	2.11%	$ 4,523
2015	56,269,633	63,218,715	119,488,348	8,735,479	110,752,869	1.79%	3,979
2016	53,707,514	58,655,107	112,362,621	6,899,109	105,463,512	1.72%	3,728
2017	52,869,355	47,670,233	100,539,588	7,444,512	93,095,076	1.38%	3,162
2018	39,300,000	41,600,000	80,900,000	7,345,622	73,554,378	1.03%	2,487
2019	55,765,997	29,070,140	84,836,137	8,009,333	76,826,804	0.99%	2,535
2020	45,902,946	27,524,862	73,427,808	6,774,153	66,653,655	0.80%	2,195
2021	40,344,363	22,000,638	62,345,001	5,315,367	57,029,634	0.68%	1,828
2022	34,077,058	29,976,580	64,053,638	5,436,574	58,617,064	0.64%	1,857
2023	27,601,752	27,082,003	54,683,755	5,256,902	49,426,853	0.50%	1,710

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

[a]See Table 5 for property value data.

[b]See Table 13 for population data.

City of Southlake, Texas **Table 11**

Direct and Overlapping Governmental Activities Debt
As of September 30, 2023
(Unaudited)

Governmental Unit	Gross Bonded Debt	Percentage of Debt Applicable to Area	Share of Overlapping Debt
Debt repaid with property taxes			
Carroll ISD	$ 288,580,000	85.02%	$ 245,350,715
Denton County	624,655,000	0.15%	936,983
Grapevine-Colleyville ISD	289,240,590	1.62%	4,685,698
Keller ISD	782,924,989	2.43%	19,025,077
Northwest ISD	1,807,155,334	0.93%	16,806,545
Tarrant County	376,120,000	4.09%	15,383,308
Tarrant County College District	591,230,000	4.09%	24,181,307
Tarrant County Hospital District	448,410,000	4.09%	18,339,969
Subtotal, overlapping debt			344,709,602
City of Southlake (direct debt)	$ 79,869,587	100.00%	79,869,587
Total direct and overlapping debt			$ 424,579,189

Source: Municipal Advisory Council of Texas.

Note: Includes only debt of the City's governmental activities.

Note: Per the Municipal Advisory Council of Texas, the overlapping percentages are calculated by determining the estimated share assessed valuation of taxable property within the overlapping taxing bodies and the City, and then dividing that share value by the total assessed value of taxable property within the overlapping tax body.

City of Southlake, Texas **Table 12**

Pledged-Revenue Coverage – Southlake Parks Development Corporation
Last Ten Fiscal Years
(Unaudited)

	Southlake Parks Development Corporation - Sales Tax Revenue Refunding Bonds				
		Debt Service			
Fiscal Year	Sales Tax Collections	Principal	Interest	Total Annual Requirement[a]	Times Coverage
2014	$ 6,571,836	$ -	$ 93,333	$ 93,333	70.41
2015	7,440,726	1,120,000	463,200	1,583,200	4.70
2016	7,318,490	1,150,000	429,150	1,579,150	4.63
2017	7,578,446	1,190,000	394,050	1,584,050	4.78
2018	7,705,009	1,225,000	357,825	1,582,825	4.87
2019	7,741,005	1,260,000	320,550	1,580,550	4.90
2020	7,908,601	1,300,000	282,150	1,582,150	5.00
2021	9,249,930	1,340,000	242,550	1,582,550	5.84
2022	10,610,993	1,385,000	201,675	1,586,675	6.69
2023	12,829,196	1,415,000	159,675	1,574,675	8.15

Note: [a]Includes Principal and Interest

City of Southlake, Texas **Table 13**

Pledged-Revenue Coverage – Southlake Community Enhancement and Development Corporation
Last Ten Fiscal Years
(Unaudited)

		Southlake Community Enhancement and Development Corporation - Sales Tax Revenue Bonds				
			Debt Service			
Fiscal Year		Sales Tax Collections	Principal	Interest	Total Annual Requirement[a]	Times Coverage
2016	(1)	$ 5,421,104	$ -	$ -	$ -	-
2017		5,613,664	-	869,749	869,749	6.45
2018		5,707,414	1,190,000	1,252,239	2,442,239	2.34
2019		5,734,078	1,280,000	1,163,406	2,443,406	2.35
2020		5,858,223	1,340,000	1,102,406	2,442,406	2.40
2021		6,851,800	1,410,000	1,033,656	2,443,656	2.80
2022		7,859,995	1,475,000	968,056	2,443,056	3.22
2023		8,463,832	1,540,000	899,206	2,439,206	3.47

Note: [a]Includes Principal and Interest

(1) This was the year of issuance. Accordingly, no principal or interest payments were scheduled in this year, and no debt was outstanding in the previous 2 years that was secured by pledged revenue.

City of Southlake, Texas **Table 14**

Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)

Fiscal Year	Estimated Population[a]	Personal Income	Per Capita Personal Income	School Enrollment[c]	Unemployment Rate[d]
2014	27,425	$ 1,483,500,525	$ 54,093	7,864	4.4%
2015	27,833	1,613,952,171	57,987	7,884	3.5%
2016	28,290	1,732,875,660	61,254	8,177	3.5%
2017	29,440	1,951,901,440	66,301	8,190	3.0%
2018	29,580	2,189,038,320	74,004	8,341	3.2%
2019	30,310	2,151,828,140	70,994	8,344	2.7%
2020	30,370	2,177,863,070	71,711	8,509	5.2%
2021	31,199	2,169,765,654	69,546	8,318	3.6%
2022	31,569	2,506,862,721	79,409	8,382	3.0%
2023	31,975	2,585,284,275	80,853	8,318	3.6%

Note: [a]City of Southlake Economic Development
[b]Carroll Independent School District
[c]Texas Workforce Commission

City of Southlake, Texas **Table 15**

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2023		2014	
Employer[a]	Employees[a]	Percentage of Total City Employment	Employees[a]	Percentage of Total City Employment
Sabre Holdings	2,200	13.75%	3,000	23.24%
TD Ameritrade	1,876	11.72%	-	-
Carroll ISD	1,176	7.35%	1,123	8.70%
Gateway Church	706	4.41%	570	4.42%
Verizon Wireless	650	4.06%	637	4.93%
Keller Williams	650	4.06%	487	3.77%
City of Southlake	448	2.80%	337	2.61%
Central Market	390	2.44%	360	2.79%
Total	8,096	50.60%	6,514	50.46%
Total Southlake Daytime Employees[b]	16,001		12,909	

Source: [a]City of Southlake Economic Development
[b]Texas Workforce Commission

City of Southlake, Texas **Table 16**

Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government and Administration	55.75	52.00	51.00	57.00	60.00	74.00	75.75	78.14	80.64	82.64
Public Safety	140.45	140.95	140.95	139.95	141.45	145.15	145.15	145.15	145.15	149.70
Public Works	27.25	33.25	35.25	34.50	35.50	35.00	35.00	35.00	34.35	35.35
Culture and Recreational	62.15	65.65	71.40	72.03	114.78	108.93	111.80	113.93	113.93	121.48
Water and Sewer	29.50	29.50	30.25	31.00	31.00	31.00	30.00	30.00	31.65	31.65
Community Development	23.00	23.00	23.00	23.00	23.00	22.00	23.00	22.50	22.50	23.50
Economic Development	4.00	4.00	4.00	1.00	1.00	2.00	3.63	3.63	4.00	4.00
Total	342.10	348.35	355.85	358.48	406.73	418.08	424.33	428.35	432.22	448.32

Source: City Budget

City of Southlake, Texas **Table 17**

Operations Indicators by Function/Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police										
Number of Employees	68	68	68	67	68	72	72	72	72	76
Number of Violations (Citations)	18,122	16,241	15,003	13,840	13,492	13,759	9,095	8,230	9,551	7,342
Number of Arrests	1,284	1,095	513	1,148	1,027	719	1,025	838	640	324
Number of Alarm calls	3,087	3,497	3,673	3,284	3,434	3,171	2,465	2,549	893	1,469
Fire										
Number of Employees	72	72	73	73	73	73	73	73	73	74
Number of Fire runs	1,245	1,220	760	807	811	748	999	1,036	834	894
Number of EMS runs	1,492	1,448	1,745	1,808	1,802	1,875	1,517	1,994	2,256	2,418
Number of Hazardous materials runs	56	43	95	105	109	90	94	92	111	93
Number of Alarm calls	461	501	608	652	651	678	602	748	659	590
Development Services										
Streets maintained (miles)	268	204	209	199	211	213	214	214	214	217
Streets crack sealed (blocks)	94	N/A	N/A	75	391	384	5	0	68	0
Roadway signage replaced/installed	188	N/A	568	N/A	21	136	13	132	128	137
Asphalt repairs (tons)	2,802	4,849	4,667	6,671	5,191	6,100	213	7,747	151	250
Concrete repairs to roads/sidewalks (cu. yds.)	240	2,421	308	1,462	1,188	503	41	1,269	11	7
Right-of-way maintenance (miles)	484	N/A	N/A	5	417	417	558	55	7	2
Building Permits Issued[a]	3,051	2,979	2,703	3,163	3,453	3,133	2,834	3,209	3,372	2,990
Planning & Zoning cases heard	143	136	190	100	110	76	62	82	53	65
Cultural and Recreational										
Parks and Recreation										
Park maintain & operate per acre	1,205	1,200	1,106	1,106	1,106	1,106	1,106	561	561	561
Participants in Leisure Service Programs	6,227	6,200	8,687	8,735	9,844	17,555	8,065	7,360	13,010	25,000
Participants in Special Events	47,000	60,000	66,000	72,625	71,400	65,000	900	36,300	44,000	48,000
Participants in Senior Center Programs	4,935	4,900	8,868	13,449	13,552	14,068	4,989	6,390	6,691	8,663
Library										
Volumes in Collection	46,781	44,971	45,416	44,899	43,947	41,789	43,699	41,895	42,607	42,034
Patrons	16,662	16,838	13,461	13,764	14,327	15,267	13,274	14,467	15,446	17,054
Water and Sewer										
Number of Water Consumers	9,825	10,183	10,581	10,941	11,009	11,133	11,236	11,349	11,461	11,528
Number of Sewer accounts	7,770	8,167	8,470	8,889	9,111	11,886	9,053	9,142	9,229	9,319
Line inspections (feet)	217,000	1,086,624	789,266	687,246	574,136	641,941	377,081	214,789	141,503	189,370
Water meters installed/repaired/replaced	745	1,284	10,566	135	191	279	186	359	4,099.00	102
Transmitters installed/replaced	610	N/A	10,566	489	124	113	466	1,327	7,891.00	6,666
Gallons purchased from Ft. Worth (millions)	3,220,075	3,069,971	2,904,048	3,206,363	3,156,019	2,762,227	3,013,801	3,057,825	3,914,878	3,805,874
Gallons distributed (millions)	2,964,457	2,870,430	2,935,818	2,900,926	3,229,438	2,363,542	2,957,582	2,731,697	3,569,090	3,539,810
Maximum Storage Capacity (million of gallons)	21	21	21	21	21	21	21	21	21	21
Source: City Departments	6,576,470	7,215,563	6,844,057	7,003,047	7,166,675	5,978,074	6,461,341	6,161,822	7,799,580	7,720,950

Notes: N/A Data not available

[a]Includes residential, commercial, and miscellaneous (e.g. pools, fences) permits.

City of Southlake, Texas **Table 18**

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(Unaudited)

Function/Program	Fiscal Year 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police Stations	3	3	3	3	3	3	3	3	3	3
Police Patrol Units	26	25	25	25	25	25	21	23	20	23
Fire Stations	3	3	3	3	3	3	3	3	3	3
Police Motorcycle Units	5	5	5	5	5	5	5	5	5	5
Cultural and Recreational										
Parks	18	18	18	18	18	18	18	35	35	35
Playgrounds	5	7	6	6	6	7	7	6	7	7
Dog Park	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Tennis Courts	21	21	21	21	21	21	21	21	21	21
In-line hockey rink/turf field[a]	1	1	1	1	1	1	1	1	1	1
Ballfields	44	32	27	29	29	29	29	22	22	22
Soccer Fields	17	13	12	21	21	21	21	21	21	21
Nature Center	1	1	1	1	1	1	1	1	1	1
Water and Sewer										
Water Mains (miles)	294	285	290	284	298	301	304	293	294	296
Lift Stations	14	13	13	14	15	15	15	9	13	13
Sanitary Sewer Mains (miles)	209	206	209	212	216	218	220	220	222	223
Drainage, ditches/creeks (miles)	91	36	36	48	52	51	51	42	51	51
Fire hydrants	2,486	2,594	2,643	2,723	2,774	2,809	2,854	2,919	2,938	2973
Water valves	6,686	N/A	7,154	7,360	7,553	7,673	7,818	8,023	8,104	8212

Source: City Departments

Note: N/A - Data not available

[a]In-line hockey rink converted to turf field in 2020.